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# Alight Leave Solutions

## Compliance Alert

### California Updates

As California closed out the 2023-2024 legislative session, a handful of initiatives were enacted, some of which impact California’s leave of absence laws. Additionally, the Employment Development Department (EDD), the state agency that administers the State Disability Insurance (SDI) program and Paid Family Leave (PFL) program, released benefit rates, effective January 1, 2025. Here’s what you need to know in preparation for the new year:

#### **California SDI/PFL rates for 2025**

The EDD announced the rates for 2025, as follows and compared to 2024:

|   | 2024     | 2025     | Notes  |
|---|----------|----------|--|
| SDI/PFL Contribution Rate                       | 1.1%     | 1.2%     | California employees, who are covered by <a href="#">State Disability Insurance</a> (SDI) and <a href="#">Paid Family Leave</a> (PFL), pay contributions to reimburse the SDI Fund for coverage. The contribution rate is the percentage withheld from the wages of employees. |
| Maximum Weekly Benefit Amount                   | \$1,620  | \$1,681  | This is the maximum <a href="#">weekly benefit amount</a> paid to an eligible SDI program recipient.   |
| Maximum Benefit Amount (WBA x 52 weeks)         | \$84,240 | \$87,412 | This is the maximum annualized benefit amount paid to an eligible SDI program recipient.   |
| Voluntary Plan Assessment Rate of Taxable Wages | 0.00154  | 0.00168  | This is the amount paid by employers to the EDD for administrative costs arising out of a <a href="#">Voluntary Plan</a> .   |
| State Average Weekly Wage                       | \$1,642  | \$1,704  | This is the California state average weekly wage, published annually.  |

## **California Voluntary Plan text updates**

When Voluntary Plan (VP) employers update their plan text, the EDD requires those employers to submit the text to the EDD annually in December, before taking effect on January 1, 2025. Oftentimes, updates are necessitated by legislative initiatives and apply to all VPs. The following legislation requires updates to all VPs effective on and after January 1, 2025. Employers should ensure these updates are completed and plan text submitted to the EDD no later than December 2, 2024.

- [California Senate Bill 951 \(2021-2022 legislative session\)](#)
  - Beginning January 1, 2025, the SDI/PFL weekly benefit amount formula will increase to 70% to 90% wage replacement. Periods of leave for which benefits are sought that begin before January 1, 2025, will still be calculated at 60% to 70% wage replacement. This amendment will increase the weekly benefits for many Californians.
- [California Assembly Bill 2123 \(2023-2024\)](#)
  - Effective January 1, 2025, employers will no longer be able to require employees to take two weeks of earned, unused vacation pay prior to receiving PFL benefits. Any VP plan that includes such requirement must be updated to remove it.

The EDD encourages employers to use [the DE2008 Voluntary Plan Text Provisions PDF](#) for their VP plan text. If there is additional VP text or information that will not fit the DE2008 fields, employers may provide an “Attachment.” VP employers that use the DE2008 for their VP plan text should include the above statutory updates under the “Legislative Disclosure” section and update VP plan text accordingly. The EDD requires VP employers to submit plan text, the DE2008 and Attachment(s) no later than December 2, 2024, to the EDD VP Group by emailing it to [EDD DIB VP](#).

## **California SDI/PFL regulatory updates**

California also adopted some well-overdue regulatory amendments, meant to align the regulations with the statutes, so as to reduce misinterpretation.

These adopted amendments modify the California Code of Regulations to align with the January 1, 2021, expansion of California PFL to allow leave due to a qualifying military exigency (See [Senate Bill 1123](#) and [Assembly Bill 2399](#) for full context). Below is an outline of notable changes impacting California PFL and/or SDI administration, effective January 1, 2025:

- The Employment Development Department (EDD) will no longer be allowed to require claimants to verify Social Security Numbers on a claim for SDI/PFL benefits.
- When a claimant is applying for PFL to care for a seriously ill family member (child, spouse, parent, grandparent, grandchild, sibling, or domestic partner), the claim must include authorization for the EDD to disclose the claimant’s information to the care recipient’s treating physician.
- The amendments clarify that an individual is not eligible for PFL if there is another family member able to participate in a qualifying exigency. A similar requirement already exists for benefit claims to care for a seriously ill family member.

## Additional legislative updates

### [California Senate Bill 1090 \(2023-2024\)](#)

The California legislature passed Senate Bill 1090, which amends the California SDI/PFL filing timeline for claimants, allowing individuals to file claims up to 30 days in advance of the anticipated first day of paid benefits. Additionally, benefits payments must be issued within 14 days of receipt of the claimant's completed SDI or PFL claim, or as soon as eligibility begins, whichever is later. These changes take effect when the EDD implements its new integrated claims management system, EDDNext.

### [California Assembly Bill 2499 \(2023-2024\)](#)

Effective January 1, 2025

California's legislature also passed Assembly Bill 2499, which amends the California Fair Employment and Housing Act (FEHA), by adding jury, court, and victim time off provisions to the antidiscrimination law, bringing it under the enforcement of the Civil Rights Division (CRD). The new FEHA provisions make the following changes:

- Employment protection for qualified leave:
  - o The bill prohibits any employer from discharging, discriminating, or retaliating against an employee who must take time off work to:
    - Serve as a jury member
    - Appear in court to comply with a subpoena or other court order as a witness for any judicial proceeding
    - Seek relief due to the employee being a victim of a qualifying act of violence. Relief includes, but is not limited to, a temporary or permanent restraining order or other injunctive relief to help ensure the health, safety, or welfare of the victim or their child.
  - o Employers with 25 or more employees are also prohibited from discharging, discriminating, or retaliating against an employee who is a victim or whose family member is a victim for taking time off work for several purposes relating to a qualifying act of violence, including, but not limited to:
    - To obtain or attempt to obtain any relief for the family member.
    - To seek, obtain, or assist a family member to seek or obtain:
      - medical attention due to injuries,
      - services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency,
      - psychological counseling or mental health services, or
      - civil or criminal legal services.
    - To participate in safety planning or take other actions to increase safety from future qualifying acts of violence.
    - To relocate or secure a new residence, including securing temporary or permanent housing or enrolling children in a new school or childcare.
    - To provide care to a family member who is recovering from injuries.

- To prepare for, participate in, or attend any civil, administrative, or criminal legal proceeding.
- To seek, obtain, or provide care to a child or care-dependent adult if the care is necessary to ensure the safety of the child or dependent adult.
- Definitions:
  - The bill refers to and defines a “qualifying act of violence,” instead of crime, or crime or abuse, expanding the reasons for leave coverage, and substantially revises definitions, including defining “victim” as an individual against whom a qualifying act of violence is committed, including an employee who is a victim or whose family member is a victim of a qualifying act of violence.
- Leave entitlement limitations:
  - The new provisions allow employers to require the leave taken for a qualifying act of violence to run concurrently with leave taken under the federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA), as applicable. Leave taken for a qualifying purpose may be limited to 12 weeks. Additional limitations are applied where the employee’s family member is the victim:
    - If an employee’s family member is a victim and is not deceased as a result of a crime, the employee is not a victim, and the employee takes leave to relocate or engage in the process of securing a new residence, the employer may limit the leave taken for that reason to 5 days.
    - If any employee’s family member is a victim and is not deceased as a result of crime, and the employee is not a victim, the employer may limit the total leave taken for the qualified purposes to 10 days.
  - An employer may not limit time off where:
    - The employee is taking time off for jury duty, if the employee gives reasonable advance notice to the employer that the employee is required to serve.
    - The employee taking time off to appear in court to comply with a subpoena or other court order as a witness in any judicial proceeding.
    - The employee is a victim and is taking time off from work to seek relief, including, but not limited to, a restraining order or other injunctive relief, to help ensure the health, safety, or welfare of the victim or their child.
- Notification requirements:
  - The CRD will develop a form that may be used by employers to inform employees of their rights on or before July 1, 2025. Once the CRD posts the form on the department’s websites, employers will be required to inform each employee of their rights under the law as follows:
    - Upon hire
    - Annually
    - Upon employee request
    - Any time an employee informs an employer that the employee or the employee’s family member is a victim.
  - Additionally, employees are required to give their employer reasonable advance notice of the employee’s intention to take time off, if feasible.

- Certification:
  - o When an unscheduled absence occurs, the employer may not take any action against the employee if the employee, within a reasonable time after the absence, provides a certification to the employer upon request by the employer. Certification can include any of the following:
    - A police report indicating that the employee or family member was a victim;
    - A court order protecting or separating the employee or family member from the perpetrator of the qualifying act of violence, or other evidence from a court or prosecuting attorney that the employee or family member has appeared in court;
    - Documentation from a licensed medical professional, domestic violence counselor, sexual assault counselor, victim advocate, licensed health care provider, or counselor that the employee or family member was undergoing treatment or seeking or receiving services directly related to the qualifying act of violence; or
    - Any other documentation that reasonably verifies that the qualifying act of violence occurred, including, but not limited to, a written statement signed by the employee, or an individual acting on the employee's behalf, certifying that the absence is for a qualifying purpose.
- Reasonable accommodation:
  - o Employers must also provide reasonable accommodations for an employee who has disclosed their or their family member's status as a victim of a qualifying act of violence and who requests an accommodation for the safety of the employee while at work. The employer may request certification and a written attestation certifying the accommodation is for the authorized reasons.
- Use of other available compensatory time off:
  - o An employee may use available vacation, personal leave, paid sick leave, or other paid time off during the leave.
- Confidentiality:
  - o Employers should maintain the confidentiality of any employee requesting leave under this law. Where an employee furnishes evidence or certification, the confidentiality or privilege that may exist between the employee or employee's family member and a third party will not be waived.

## [California Senate Bill 729 \(2023-2024\)](#)

Effective July 1, 2025

The legislature also passed California Senate Bill 729, which requires large and small group health care service plan contracts and disability insurance policies issued, amended, or renewed on or after July 1, 2025, to provide coverage for certain infertility and fertility services.

Large group health care service plan contracts and disability insurance policies will be required to cover a maximum of three completed oocyte retrievals. It also prohibits employers from excluding in vitro fertilization from coverage and placing different conditions or coverage limitations on fertility medications or services, than would apply to other conditions. These requirements don't apply to accident-only, specified disease, hospital indemnity, Medicare supplement, or specialized disability insurance policies.

## What employers should consider

Employers always have quite a bit to consider as a new year appears on the horizon, and employers with California populations are no exception for 2025. As 2024 draws to a close, it is always best practice to review and revise, as necessary, the policies and procedures and ensure that HR personnel are trained to identify and understand the forthcoming changes.

- California Voluntary Plan (VP) employers should update their VP text to reflect the new wage replacement formula, if the VP follows the same calculation as the state program, and the increased maximum weekly benefit, reviewing benefit schedules to ensure the computation results in a benefit that is equal or greater than the state plan. VP employers that do not cover the cost of the plan for their employees should take note of the increased employee contribution rate and must ensure that the VP does not exceed the cost of the state plan. VP employers should also work with their tax representatives to ensure they meet the increased Voluntary Plan Assessment Rate.
- Employers who do not offer a VP for their California employee population should work with their payroll administrator to ensure the increased employee contribution rate is met, starting January 1, 2025.
- All employers with California populations and their HR departments should be prepared for the jury, court, and victim time off leave, and fully understand what leave reasons are permitted and the confidentiality requirements.
- Employers should begin working with their group health care service plan and disability insurance policy providers to ensure that the infertility and fertility services requirements are implemented by July 1, 2025.

## What will this change within Alight Leave Solutions?

Alight Leave Solutions specializes in state and federal leave of absence solutions, including certain paid and unpaid family/medical leave offerings. The California SDI/PFL program and Voluntary Plan administration is a part of Alight Leave Solutions' leave offerings. Alight Leave Solutions has documented the changes to the 2025 SDI/PFL Contribution and Voluntary Plan Assessment Rates and will manage benefit calculation offsets accordingly, based on the 2025 maximum benefit amount. Alight will also update its software and train its teams to prepare for administration of the new time off provisions under FEHA.