



The Vita Viewpoint

Important Information for Decision Makers

California Family Temporary Disability Insurance Program

Introduction

- **The New Law.** On September 23, 2002, the Governor signed historic legislation to extend disability compensation to cover individuals who take time off of work to care for a seriously ill child, spouse, parent or domestic partner, or to bond with a new child. Senate Bill 1661 establishes the Family Temporary Disability Insurance (FTDI) program to be administered by the CA Employment Development Department (EDD) Disability Insurance branch.
- **Who is affected?** An estimated 13 million California workers who are covered by the California State Disability Insurance (SDI) program will also be covered for FTDI benefits commencing on July 1, 2004.

Costs

- **Are payroll deductions mandatory?** Yes, beginning January 1, 2004, employers are required to deduct the FTDI contributions from the wages of employees who are covered by the SDI program.
- **Who pays?** The FTDI program is fully funded by employee contributions, similar to the SDI program.
- **How much will it cost?** For calendar years 2004 and 2005, the FTDI contribution rate will be .08 percent (.0008) of the taxable wage limit. The taxable wage limit in 2004 will be \$68,829 per year. Therefore the maximum contribution would be \$55.06 in 2004, in addition to the SDI contribution. The taxable wage limit in 2005 will be \$79,418 per year. Therefore, the maximum contribution would be \$63.53 in 2005, in addition to the SDI contribution.

Basic Eligibility

- **When does the FTDI program begin?** Benefits will be payable for periods of family temporary disability leave commencing on or after July 1, 2004.
- **Is there a waiting period?** There will be a seven-day, non-payable waiting period at the beginning of the FTDI claim period. In addition, an employer may require an employee to use up to two weeks of vacation prior to receiving FTDI benefits. The first week of vacation can be used to satisfy the waiting period.
- **Under what circumstances are benefits payable?** An employee may file a claim for FTDI benefits for the following reasons:
 - To care for the serious health condition of a child, spouse, parent, or domestic partner;
 - For the birth of a child of the employee or the employee's domestic partner; or
 - For the placement of a child with the employee in connection with the adoption or foster care of the child by the employee or the employee's domestic partner. The child must be unable to care for him or herself.
- **What documentation is required?** A medical certificate is required when an FTDI claim is filed to care for a seriously ill family member. The certificate must include the ICD diagnosis code; the commencing date of the disability, the probable duration, the estimated time care is needed, and state that the serious health condition requires care. This includes "providing psychological comfort" and arranging "third party care". For bonding, FTDI is limited to the first year after birth, adoption, or foster care placement of a child. A separate certification

must be completed for leave associated with birth, adoption or foster care placement of a child.

- **Can more than one family member provide care?** An individual is not eligible for FTDI benefits for any day that any other family member is able and available to provide required care.
- **Are employees of government entities covered?** Some government workers, including school employees, may be eligible for FTDI benefits if they contribute into the SDI program. Also, if you have wages from a private employer during the base period, you might qualify even though your primary employer is a government entity.
- **Are employees of small businesses covered?** Employees are covered for FTDI benefits regardless of the size of their employer.
- **Is there a requirement to work a certain number of days or months to be eligible for FTDI benefits?** Eligibility for FTDI will be based on the earnings shown in your base period and not a specific number of days or months worked. Wages earned approximately five to seventeen months before the beginning of your FTDI claim are included in the base period.
- **How do FTDI benefits coordinate with other leave laws?** An individual who is entitled to leave under federal Family Medical Leave Act (FMLA) or California Family Rights Act (CFRA) must take FTDI concurrent with leave taken under those acts.

Benefits

- **How are weekly benefit amounts determined?** Weekly benefit amounts will be calculated based on the calendar quarter with the highest earnings during the base period. Wages must be at least \$300 during the base period.
- **What is the weekly benefit amount?** For FTDI claims beginning July 1, 2004, through December 31, 2004, weekly benefits will range from \$50 to \$728. To qualify for the minimum weekly amount (\$50), an individual must have at least \$300 in wages in the base period. To qualify for the maximum weekly benefit amount (\$728), an individual must earn at least \$17,183.65 in a calendar quarter during the base period. These limits increase slightly in 2005.
- **Do FTDI benefits equal full pay?** The weekly benefit amount will be approximately 55% of earnings up to the maximum weekly benefit amount.
- **How long are FTDI benefits available?** Benefits are available for up to 6 weeks of FTDI during a 12-month period.
- **Can FTDI benefits be received while receiving SDI, Unemployment Insurance (UI) benefits or Workers Compensation benefits?** No. The laws governing the FTDI program state that individuals may not receive FTDI benefits for a period of time that they are receiving or entitled to receive SDI, UI or Workers Compensation benefits.

Claim Forms and Brochure

- **How are FTDI claims filed?** Procedures for FTDI claims are being developed and claim forms will be available in March 2004. Claims will be filed through the EDD.
- **What are the brochure requirements?** An FTDI brochure will be available in October 2003. Employers must provide this brochure to new employees beginning January 1, 2004. Employers must also provide this brochure to employees leaving work on or after July 1, 2004, due to the need to provide care to a sick or injured family member or to bond with a child.

For questions or additional information, please contact Vita Benefits Group at (650) 968-8811.