



The Vita Viewpoint Important Information for Decision Makers

California State Disability Insurance Wage Base Update

Overview

The California State Disability Insurance (CA SDI) and Paid Family Leave (PFL) programs have announced the Cost of Living Adjustment factors for 2008.

The California SDI program provides income replacement benefits in the event of a non-work related disability. Benefits are approximately 55% of pre-disability earnings, and are payable on the 8th day of disability (after the 7 day elimination period). The California Paid Family Leave program provides similar income replacement benefits for qualified family leaves.

The State Disability Insurance and Paid Family Leave programs are mandatory for the majority of California workers. Premiums are paid via payroll salary deductions.

New Limits

	<u>2007</u>	<u>2008</u>
Taxable Wage Base	\$83,389	\$86,698
Maximum <i>Weekly Benefit</i>	\$882	\$917
Contribution Rate (Premium) <i>Includes Paid Family Leave</i>	0.6%	0.8%

2008 Premium Increase

In addition to a COLA increase in the wage base, the premium which workers pay has increased substantially (33%) from 2007 to 2008. In 2007, the maximum annual premium for a worker was \$500. In 2008, the maximum annual premium will increase to \$693. This increase in rate is a reflection of claims experience of workers in California.

CA SDI/PFL Contact Information

Phone: (800) 480-3287

Web: www.edd.ca.gov

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