



Edmund G. Brown Jr.
Governor

January 4, 2018

To: Voluntary Plan Self-Insurers

Subject: GENERAL RELEASE LETTER

The General Release Letter (GRL) provides the 2018 State Disability Insurance (SDI) Contribution Rate, Wage Ceiling, and the Assessment Rate. The GRL also provides information on legislation and procedural changes that may affect your Voluntary Plan (VP).

A. SDI Contribution Rate and Wage Ceiling

Effective January 1, 2018, the SDI worker contribution rate will be 1.0 percent of an employee's gross taxable wages up to \$114,967.

Reference: California Unemployment Insurance Code (CUIC), Section 984(a) (1).

SDI program taxes cover employees up to a ceiling set by Section 985 of the CUIC. The 2018 SDI taxable wage ceiling (the maximum amount of wages per employee that are subject to SDI contributions) is \$114,967. The maximum annual contribution per employee for 2018 is \$1,149.67 (\$114,967 x 1.0 percent). Employers report these contributions to the Employment Development Department (EDD) Tax Branch on the Quarterly Contribution Return, DE 3D, line D, box D1 Voluntary Plan.

Reference: CUIC, Section 985.

B. Voluntary Plan Assessment Rate

Effective January 1, 2018, the VP assessment rate (on line I of the Quarterly Contribution Return, DE 3D) will be 0.140 percent. This figure is the product obtained by multiplying the worker contribution rate by 14 percent, or $0.010 \times 0.14 = 0.140$ percent.

Reference: CUIC, Section 3252(b).

C. 2018 Legislation

Assembly Bill (AB) 908 – Unemployment Insurance Code: Disability Compensation; Family Temporary Disability Insurance: establishes a new methodology for calculating the weekly benefit amount (WBA) for Disability Insurance (DI) and Paid Family Leave (PFL) benefits. The wage replacement rate will increase from approximately 55 percent to approximately 60 to 70 percent based on a claimant's past income. AB 908, also, eliminates the waiting period for all PFL claims.

Beginning January 1, 2018, AB 908 requires that for periods of disability or family leave commencing on or after January 1, 2018, but before January 1, 2022, the WBA is computed as follows:

1. If the claimant's highest quarterly wages are less than \$929, their WBA is \$50.
2. If the claimant's highest quarterly wages are equal to or greater than \$929, but less than one-third of the amount of the State Average Quarterly Wages (SAQW), the WBA is 70 percent of the claimant's highest quarterly wages of their base period divided by 13. For 2018, one-third of the SAQW is \$5,229.98.
3. If the claimant's highest quarterly wages are equal to or greater than one-third of the SAQW (for 2018, \$5,229.98), their WBA is:
 - a) 23.3 percent of the State Average Weekly Wage, or
 - b) 60 percent of the claimant's highest quarterly wages of their base period divided by 13, whichever amount is greater.

Each day of a disability period that is less than a week, one-seventh of the WBA will be paid.

References: An act to amend Section 2655 of, to amend, repeal, and add Section 3303 of, and to add and repeal Section 2655.1 of the CUIC.

Status: 4/11/2016 - Chapter 5, Statutes 2016.

AB 2886 – Disability Compensation: Eligibility Determinations: Overpayment Determinations: Appeals: commencing March 1, 2018, this bill extends the deadline for claimants to file an appeal to an administrative law judge (ALJ) and to the California Unemployment Insurance Appeals Board from 20 days to 30 days from the mailing or personal service date of the notice of determination.

This bill also provides that, before March 1, 2018, any individual who submits an appeal to an ALJ within 30 days from the mailing or personal service date of the notice has good cause to extend the 20-day period. This facilitates the transition to the new requirement by effectively making the appeals timeframe 30 days until the change takes full effect in statute and the EDD implements the required technology changes.

References: An act to amend, repeal, and add Sections 2707.2, 2707.4, and 2737 of, to add Section 2707.8 to, and to add and repeal Sections 2707.7 and 2737.5 of the CUIIC.

Status: 9/9/2016 - Chapter 276, Statutes 2016.

D. Form Revisions

The Voluntary Plan Group (VPG) has recently updated numerous forms. The forms are/will be available online at:

http://www.edd.ca.gov/Disability/VP_Forms_and_Publications.htm.

1. Annual Report of Voluntary Plan Transactions (DE 2568V):

- Tentative release date: December 2017
- Enhancements include:
 - (i) “Send to EDD” button that allows the form to be submitted directly to the VPG email upon completion of the form.
 - (ii) Expanded itemized fields under “Other Income and Other Expenses,” to provide additional input space for the convenience of external users.
 - (iii) Three new fields for clarity: Prior Year Loan Balance, Loan to VP, and Loan Repayment.
 - (iv) Automated calculative functions.
 - (v) Conversion to a fillable PDF form.

2. Application for Approval of Self-Insured Voluntary Plan of Benefits (DE 2520BV):

- Available online at
http://www.edd.ca.gov/pdf_pub_ctr/de2520bv.pdf.
- Streamlined and condensed for continuity.
- Three Administrative forms need to be attached where required:
 - (i) *Voluntary Plan Third Party Administrator Authorization Form*
(DE 2520BV-A)
http://www.edd.ca.gov/pdf_pub_ctr/de2520bva.pdf
 - (ii) *Voluntary Plan Third Party Administrator Administrative Changes Form* (DE 2520BV-B)
http://www.edd.ca.gov/pdf_pub_ctr/de2520bvb.pdf
 - (iii) *Voluntary Plan Employer Administrative Changes Form*
(DE 2520BV-C)
http://www.edd.ca.gov/pdf_pub_ctr/de2520bvc.pdf

When submitting a DE 2520BV, it must always be accompanied by the DE2520BV-C. If the applicant is contracted with a Third Party Administrator, then all of the attachments; DE2520BV-A, DE2520BV-B, and DE2520BV-C must accompany the DE2520BV.

3. Voluntary Plan Security Review Worksheet (DE 2544SRW):

- Tentative release date: December 2017
- Enhancements include:
 - (i) "Send to EDD" button that allows the form to be submitted directly to the VPG email upon completion of the form.
 - (ii) Conversion to a fillable PDF form.
 - (iii) Automated calculative functions.

E. The VPG has recently updated the following documents:

1. Suggested Plan Text:

- Available per request: Contact the VPG by phone at 916-653-6839 or via email at vpprogram@edd.ca.gov.

2. Employer's Guide to Voluntary Plan Procedures (DE 2040)

- Tentative release date: December 2017
- Will be available at:
http://www.edd.ca.gov/Disability/Employer_Voluntary_Plans.htm.
- Legislative changes, Benefit Programs Online, SDI Online updates, and procedural changes have been incorporated in the 2017 revision.

F. Enclosures

Please refer to the following enclosures for required actions and VPG contact information.

- Enclosure 1 - Voluntary Plan Annual Calendar of Required Actions
- Enclosure 2 - EDD VPG Contacts

You can access information online about DI, PFL, and the VPG at www.edd.ca.gov/disability/. For further assistance with your VP, contact us at 916-653-6839 or VPPProgram@edd.ca.gov.

Sincerely,



RENEE GIBSON
Deputy Director
Disability Insurance Branch

Enclosures

Voluntary Plan Annual Calendar of Required Actions

Note: If the due date falls on a weekend or a holiday, the forms are due on the first workday after the weekend or holiday.

Date	Required Actions
February 15 th	<p>1. Voluntary Plan (VP) Revised Plan Text</p> <ul style="list-style-type: none"> ○ For any changes to your VP, please provide a Revised Plan Text. ○ Provide a notice of benefit changes to your VP employees along with a copy of the Revised Plan Text at least 10 days prior to the effective date. ○ Provide the VPG a copy of the notice of benefit changes given to the VP employees. <p>Reference: California Unemployment Insurance Code (CUIC) Section 3271(a) <i>Employer's Guide to Voluntary Plan Procedures</i> (DE 2040), Section – Amendments to Approved Provisions.</p> <p>2. Annual Report of Self-Insured Voluntary Plan Transactions (DE 2568V)</p> <ul style="list-style-type: none"> ○ Form can be obtained at http://www.edd.ca.gov/Disability/VP_Forms_and_Publications.htm. <p>Reference: California Code of Regulations , Title 22, Section 3271(a)</p>
April 14 th	<p>3. VP Security Review Worksheet (DE 2544SRW)</p> <ul style="list-style-type: none"> ○ Form can be obtained at http://www.edd.ca.gov/Disability/VP_Forms_and_Publications.htm. ○ If a security adjustment is required, the original security document must be included and sent to the VPG. <p>Reference: CUIC Section 3258</p>
June 15 th	<p>4. VP Third Party Administrator Authorization Form (DE 2520BV-A)</p> <ul style="list-style-type: none"> ○ This form is required if you have a designated Third Party Administrator (TPA) or changed TPAs. <p>5. VP Third Party Administrator Administrative Changes Form (DE 2520BV-B)</p> <ul style="list-style-type: none"> ○ This form is required if you have a designated TPA or changed TPAs. <p>6. VP Employer Administrative Changes Form (DE 2520BV-C)</p> <ul style="list-style-type: none"> ○ This form is required for all employers. <p>All administrative forms are available tentatively in December 2017: http://www.edd.ca.gov/Disability/VP_Forms_and_Publications.htm.</p>

Send all required documents to the applicable address or email below:

EDD, Disability Insurance Branch
 Voluntary Plan Group
 PO Box 826880, MIC 29VP
 Sacramento, CA 94280-0001

General Email:
VPProgram@edd.ca.gov

Email to submit DE 2568V:
VP68V@edd.ca.gov

Email to submit DE 2544SRW:
VPSRW@edd.ca.gov

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To improve communication and access to VP program services, the EDD VPG has made emails available for employers and Third Party Administrators. This allows our external users to electronically submit plan applications and related documents to the VPG. In addition, these emails can be used to submit questions and receive answers to issues, program policies, and procedures relating to the VP program.

- **DIVPAC@edd.ca.gov:**
 - Claim questions.
 - Audit and/or Corrective Action Plan questions.
 - Questions to resolve hardship disputed coverage claim issues.

- **VPPProgram@edd.ca.gov:**
 - Requests to withdraw the VP.
 - Submission of any administrative forms.
 - Questions regarding VP policies and procedures.
 - Notices to the EDD about organizational changes such as mergers and acquisitions

- **VP68V@edd.ca.gov:**
 - Submission of *Annual Report of Self-Insured Voluntary Plan Transactions Form* (DE 2568V).

- **VPSDIOn-LineRegistration@edd.ca.gov:**
 - Access request to register using SDI Online.
 - Questions regarding SDI Online registration and services.

- **VPSRW@edd.ca.gov:**
 - Submission of *Annual Security Review Worksheet* (DE 2544SRW).

- **DIBVPNewPlans@edd.ca.gov:**
 - Submission of amendments to Plan Text.
 - Submission of new VP application, *Application for Approval of VP Self-Insured Disability Benefits* (DE 2520BV) and the required applicable attachments:
 1. *Voluntary Plan Third Party Administrator Authorization* (DE 2520BV-A).
 2. *Voluntary Plan Third Party Administrator Administrative Changes* (DE 2520BV-B).
 3. *Voluntary Plan Employer Administrative Changes* (DE 2520BV-C).

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