

October 10, 2025

EMPLOYMENT DEVELOPMENT DEPARTMENT

15-DAY NOTICE OF AVAILABILITY OF INFORMATION ADDED TO THE RULEMAKING FILE AND MODIFICATIONS TO TEXT OF PROPOSED RULEMAKING REGARDING AMENDMENT OF TITLE 22, CALIFORNIA CODE OF REGULATIONS, SECTION 3271-1

Pursuant to the requirements of Government Code section 11346.8(c) and California Code of Regulations, title 1, section 44, the California Employment Development Department (EDD) hereby makes available and gives notice that it has revised the text of the above-referenced proposed regulatory action, which was previously published and noticed for public comment on March 7, 2025.

Additionally, pursuant to the Requirements of Government Code sections 11346.8(d), 11346.9(a)(1), and 11347, the EDD is providing notice that documents have been added to the rulemaking file and are available for public inspection and comment.

The documents and information added to the rulemaking file are as follows:

Addendum to the Initial Statement of Reasons
Modified Text of Proposed Regulation

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments regarding these newly proposed revisions, and only these revisions, of the text as well as the added document to **Susana Naranjo** via U.S. mail, email, or fax (see U.S. mail and email addresses and fax number indicated below). **Email comments should include true name and mailing address of the commentor. Written comments submitted via U.S. mail, email, or fax, must be received by the Department no later than October 25, 2025.** All written comments received on **October 25, 2025**, which pertain to the indicated changes will be reviewed and responded to by the Department as part of the compilation of the rulemaking file. Please submit any written comments before that time. The Department will not accept written comments after the close of the public comment period.

Contact Persons

Inquiries or comments should be directed to:

(Mailing address)	Susana Naranjo, Attorney Employment Development Department P. O. Box 826880 Legal Office, MIC 53 Sacramento, CA 94280-0001
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(Hand delivery) Susana Naranjo, Attorney
Employment Development Department
800 Capitol Mall, Room 5040
Legal Office, MIC 53
Sacramento, CA 95814

Telephone No.: (916) 654-8410
Fax No.: (916) 654-9069
Email Address: ProposedRegulations@edd.ca.gov

Note: In the event Ms. Naranjo is unavailable, inquiries should be directed to the following backup contact persons at the same address as noted above:

Name: Linda Saeturn-Rodriguez, Senior Legal Analyst
Telephone No.: (916) 654-8410

Questions regarding the substance of the proposed regulatory action should be directed at this time to:

Name: Susana Naranjo, Attorney
Telephone No.: (916) 654-8410

INTERNET WEBSITE ACCESS

The Department has posted materials related to the proposed regulatory action on its website at https://edd.ca.gov/en/about_edd/proposed_regulations.

EMPLOYMENT DEVELOPMENT DEPARTMENT

Amendment of Title 22, California Code of Regulations, Section 3271-1

DISABILITY COMPENSATION VOLUNTARY PLANS ADJUSTMENTS IN PROVISIONS OF VOLUNTARY PLAN DUE DATE

INITIAL STATEMENT OF REASONS – ADDENDUM

Background:

On March 7, 2025, the Employment Development Department (EDD) published a Notice of Proposed Rulemaking and Public Comment Period (45-Day Notice), Initial Statement of Reasons (ISOR), and proposed regulations related to disability compensation voluntary plans adjustment in provisions of voluntary plan due date for a 45-day public comment period. (See OAL File No. Z2025-0213-02 EDD). These and other rulemaking documents pertaining to this rulemaking are available for review on the EDD's website at https://edd.ca.gov/en/about_edd/proposed_regulations/. The 45-Day comment period for the proposed regulations opened on March 7, 2025, and closed on April 21, 2025.

The EDD has reviewed all comments received during the 45-day public comment period and is modifying its proposed regulations in response to those public comments. In addition, the EDD is adding this Addendum to the Initial Statement of Reasons (Addendum) to the rulemaking file. The Addendum corrects inconsistencies of the Initial Statement of Reasons (ISOR) to the modified proposed regulation text. It also provides additional detail and clarification to the consideration of alternatives section of the ISOR.

Corrections to ISOR:

In response to public comments, the proposed regulation text has been modified to clarify that the Department may accept amended voluntary plan text provisions in an alternative format if the amendments satisfy the requirements in the code and the regulation.

In response to public comments, the proposed regulation text has been modified to include subdivisions (c)(1)-(4). The requirements contained in subdivisions (c)(1) and (4) remain substantially unchanged and only minor stylistic and formatting changes were made. Subdivisions (c)(2) and (3) provide clarification on the employee notice and consent requirements, as well as the approval process.

Specifically, subdivision (c)(2) clarifies that notice of the amendment must be provided to adversely affected employees, including their right to withdraw from the plan effective the date of the amendment. Further, employees wishing to withdraw must make the request in writing to the employer no later than 10 days following the effective date of the

amendment to the plan. The changes also make clear that consent is not required if the amendments to a plan are made pursuant to subdivision (c).

Subdivision (c)(3) clarifies the approval process by: 1) making clear that the Department will issue a written notice of approval or disapproval within 21 days; 2) if deficiencies are identified, the Department will provide written notice of the deficiencies and will be available to assist employers to resolve the deficiencies; 3) employers that receive a notice of deficiencies are required to submit a revised plan within 30 days of the date on the notice; and 4) if additional changes are made to the plan during the review process, employers are required to submit the changes to the Department for review and must provide notice of the amendments to affected employees in accordance with subdivision (c).

Expanded Detail and Clarification to the Consideration of Alternatives:

In response to public comments about the 30-day deadline and the release of the State Disability Insurance rates, the Department would like to provide further information about why a deadline of less than 30 days is not practicable. The 30-day deadline provides the Department with precisely the adequate amount of time needed to review and approve voluntary plans, consider extension requests, and assist employers in circumstances in which deficiencies are identified. Also, the due date is consistent with the notification requirement contained in the Unemployment Insurance Code, Section 3254(g), which authorizes employers to withdraw a plan due to the enactment of a law increasing benefits or due to a rate change if notice is provided no less than 30 days before the operative date of the law or change.

EMPLOYMENT DEVELOPMENT DEPARTMENT

Amendment of Section 3271-1 Title 22, California Code of Regulations

DISABILITY COMPENSATION VOLUNTARY PLANS ADJUSTMENT IN PROVISIONS OF VOLUNTARY PLAN

Text of Proposed Amendments

NOTE: Proposed 45-day changes are shown in single underline and ~~single-strikeout~~.
Proposed 15-day changes are shown in double underline and ~~double-strikeout~~.

AMEND SECTION 3271-1 TO READ AS FOLLOWS:

§ 3271-1. Adjustments in Provisions of Voluntary Plans.

(a) As set forth in Section 3271 of the code, approval of the department shall be requested and such approval shall be given only if the department finds that a majority of the employees covered by the plan, or all of the employees covered by the plan who are adversely affected by the amendment, have consented in writing to the modification and that the plan after such modification will continue to meet the requirements of the code. If the procedure set forth in Section 3271 of the code is followed, approval of the department shall be obtained and such approval shall be given only if the plan after such modification will continue to meet the requirements of the code and of these regulations.

(b) When the plan is amended pursuant to any subdivision of Section 3271 of the code, the notice of amendment distributed to the covered employees must include notification of their right to withdraw from the plan as of the effective date of such amendment. Such withdrawal shall be effected by written notice to the employer not later than 10 days after the effective date.

(c) When the plan is amended pursuant to any changes in contribution rates, benefit amounts, or provisions required by regulation or statute as set forth in Sections 984, 2653, 2655, 3254, 3254.1, 3254.5, and 3255 of the code, the ~~Voluntary Plan~~ employer or its designated third party administrator is required to submit the amended plan's updated text provisions, on a form prescribed by the department or in an alternative format, as long as the requirements set forth in the code and these regulations are followed, not less than 30 days prior to the effective date of any change in contribution rates or benefit amounts or operative date of any new provisions required by statute or regulation, provided, however, if a statute or regulation requiring such a change

becomes effective less than 30 days after its enactment or filing with the Secretary of State, as applicable, the submission due date will be 30 days from the effective date of the statute or regulation. For purposes of this subdivision:

(1) The department may extend the submission due date may also be extended by the department for a period not to exceed an additional 30 days if the department finds, upon a showing of good cause, as demonstrated in a written request, received on or before the submission due date. The written request must include the plan number, employer name, and reason for the request. The department will respond to a request in the same manner in which it the request was received. The written request for an extension must be either be e-mailed to DIBVPNewPlans@edd.ca.gov or mailed to:

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

(2) The notice of amendment must be distributed to all adversely affected employees and include notification of their right to withdraw from the plan as of the effective date of such amendment. Employee withdrawal requests must be made in writing to the employer no later than 10 days after the effective date. Consent is not required for amendments made pursuant to this subdivision.

(3) The department will issue a written notice of approval or disapproval to the employer no later than 21 days after receipt of the amended plan. If the amended plan is not approved, the department will notify the employer in writing of the deficiencies and request that the plan be revised accordingly. The employer must submit a corrected plan to the department within 30 days of the date on the notice. The department will be available by email, as listed above, to work with the employer to resolve deficiencies. If subsequent modifications are made by the employer during the review period, the amended plan must be immediately submitted to the department for review, and the employer must provide notice to employees in accordance with subdivision (c)(2) of this regulation.

(4) Failure to comply with the requirements of this subdivision may result in the termination of the voluntary plan.

Note: Authority cited: Sections 305, 306 and 2602, Unemployment Insurance Code.
Reference: Sections 984, 2653, 2655, 3254, 3254.1, 3254.5, 3254, 3255 and 3271, Unemployment Insurance Code. Section 3251-1, California Code of Regulations.