



December 31, 2021

Dear Voluntary Plan Employer:

The General Release Letter (GRL) provides the 2022 State Disability Insurance (SDI) contribution rate, wage ceiling, and assessment rate. The GRL also provides information on legislation and procedural changes that may affect the Voluntary Plan (VP).

### **A. SDI Contribution Rate and Wage Ceiling**

Effective January 1, 2022, the SDI worker contribution rate will be 1.1 percent of an employee's annual gross taxable wages up to \$146,600.

**Reference:** California Unemployment Insurance Code (CUIC) section 984(a) (1).

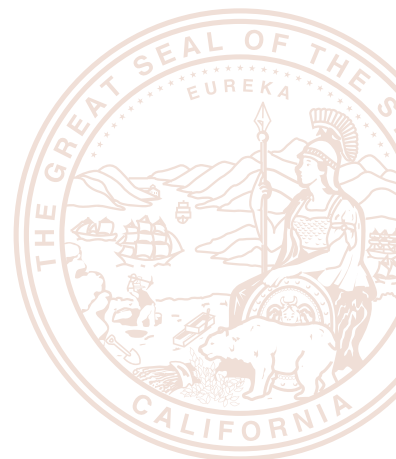
SDI program taxes cover employees up to the 2022 SDI taxable wage ceiling of \$145,600, set by section 985 of the CUIC. The SDI taxable wage ceiling is the maximum amount of wages per employee that are subject to SDI contributions. The maximum annual contribution per employee for 2022 is \$1,601.60 (\$145,600 x 1.1 percent). Employers report these subject wages to the Employment Development Department (EDD) on the *Quarterly Contribution Return* (DE 3D) Line D, Item D1 labeled Voluntary Plan Disability Insurance (VPDI) Wages. Employers are expected to use their [e-Services](#) account to file their DE 3D forms quarterly.

**Reference:** CUIC, section 985.

### **B. VP Assessment Rate**

Effective January 1, 2022, the VPDI assessment rate will be 14 percent of the Disability Insurance (DI) State Plan contribution rate multiplied by taxable wages. In 2022, with the State Plan tax rate at 1.1 percent, VP employers are assessed at 0.00154 (14 percent of 0.011) of VP taxable wages.

**Reference:** CUIC, section 3252(b).



### C. Legislation

**[Assembly Bill \(AB\) 12 \(Seyarto\)](#) – Personal Information: Social Security numbers: the Employment Development Department.** This bill, commencing on July 1, 2021, would prohibit the EDD from sending any outgoing United States mail to an individual that contains the individual's Social Security number (SSN) unless the number is truncated to its last four digits, except in specified circumstances as soon as feasible, but no later than January 1, 2023.

**Reference:** An act to amend section 11019.7 of the Government Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

**Status:** 10/5/21- Bill was Chaptered by the Secretary of State- Chapter 509, Statutes of 2021.

**[AB 56 \(Salas\)](#) – Benefits: outgoing mail, identity verification, and direct deposit.**

This bill adds various sections to the CUIA related to identity verification and direct deposit for Unemployment Insurance and DI benefit payments. The EDD is prohibited, commencing on January 1, 2023, from sending out any outgoing United States mail to an individual that contains their SSN unless the number is truncated to its last four digits, except in specific circumstances. If the EDD is unable to comply with the requirements specified in this section, the EDD is required to submit to the Legislature an annual corrective action plan, which includes specific information, every December 15. If the EDD fails to comply by January 1, 2023, it is required to provide and pay for identity theft monitoring.

**Reference:** An act to amend section 11019.7 of the Government Code, and to amend section 2614 of, and to add sections 320.4 and 1326.8 to, the Unemployment Insurance Code, relating to benefits.

**Status:** 10/5/21- Chaptered by the Secretary of State- Chapter 510, Statutes of 2021.

**[AB 123 \(Gonzalez\)](#) – Paid Family Leave: weekly benefit amount.** This bill would have revised the formula for calculating the Paid Family Leave (PFL) weekly benefit amount (WBA) and the first 12 weeks for DI benefits, commencing on or after January 1, 2023, but before January 1, 2025. This bill would have increase the SDI WBA to be equal to 65 or 75 percent of the wages paid to an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations. After January 1, 2025, the formula would be revised to increase the wage replacement percentages to be equal to 70 or 90 percent depending on the amount

of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest. For DI claims, after the 12 week period, the wage replacement rate would revert back to 55 percent of the claimant's highest quarterly wages in the base period

**Reference:** An act to amend sections 2655 and 3301 of the Unemployment Insurance Code, relating to PFL, and making an appropriation therefor.

**Status:** 9/28/2021 – Vetoed by Governor

**AB 138 – (Committee on Budget)** This is a budget bill with many provisions that may impact SDI including language translation on EDD pamphlets, plan for effectiveness of fraud prevention, extends the sunset of AB 908 to January 1, 2023, and requires EDD to provide an option for claimants to provide payments by direct deposit.

**Reference:** An act to add sections 19815.9, 20825.13, and 22944.6 to, and to repeal section 22843.1 of, the Government Code, to add Chapter 4 (commencing with section 2693) to Part 11 of Division 2 of the Labor Code, and to amend sections 316, 1095, 1339, 2655, 2701, 14005, 14013, and 14017 of, to amend, repeal, and add section 823 of, and to add sections 340 and 14014 to, the Unemployment Insurance Code, relating to employment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

**Status:** 7/16/21- Chaptered by Secretary of State- Chapter 78, Statutes of 2021.

**AB 401 (Chiu) – Employment Development Department: language translations.**

This bill would require all standard information employee pamphlets provided by the department concerning Unemployment and Disability Insurance programs to be printed in English and any written language that is or becomes a Medi-Cal threshold language in any county, as provided. The bill would additionally require the department, commencing July 1, 2022, to provide translation by qualified human translators between English and the languages described above, in accordance with certain procedures, for all benefits programs administered by the department, vital documents and notices, and any other communications to a claimant. The bill would require the department, if the claimant's written language is not within these languages, to provide the claimant, upon request, with a translated document in their written language within 2 business days of the request and on an ad hoc basis, or to read the document aloud and orally explain the document to the claimant in their preferred language, as prescribed.

**Reference:** An act to amend section 316 of the Unemployment Insurance Code, relating to Unemployment Insurance, and making an appropriation therefor.

**Status:** 7/13/2021 – In committee: Set, first hearing. Hearing canceled at the request of author.

**[AB 402 \(Wicks\)](#) – Office of the Claimant Advocate and Stakeholder Advisory Group.** This bill would establish the Office of the Claimant Advocate and Stakeholder Advisory Group, within the EDD, and would make the office responsible for protecting Californian’s rights in seeking benefits administered by the Department.

**Reference:** An act to add Articles 1.2 (commencing with section 350) and 1.3 (commencing with section 360) to Chapter 2 of Part 1 of Division 1 of the Unemployment Insurance Code, relating to Unemployment Insurance, and making an appropriation therefor.

**Status:** 9/1/2021 – Ordered to inactive file at the request of Senator Laird.

**[AB 867 \(Kiley\)](#) – Family Care Leave: child deceased in childbirth.** This bill would expand the eligibility for PFL benefits to include leave for a parent who was pregnant with a child, if the child dies unexpectedly during childbirth at 37 weeks or more of pregnancy.

**Reference:** An act to amend section 3302 of the Unemployment Insurance Code, relating to employment, and making an appropriation therefor.

**Status:** 2/25/21 – Referred to Committee on Insurance.

**[Senate Bill \(SB\) 58 \(Wilk\)](#) – Personal information: Social Security numbers: Employment Development Department: fraud prevention.** This bill would prohibit the EDD, as soon as feasible, but no later than January 1, 2023, from sending any United States outgoing mail to an individual containing their SSN. The SSN must be replaced by a modified unique identifier or truncated to its last four digits. It would also require the EDD, on or before January 1, 2022, to identify fraud prevention efforts it can adjust to improve effectiveness during periods of high demand for benefits. Additionally, this bill would require the EDD, using its own resources, to designate a single unit responsible for coordinating fraud prevention and align the unit’s duties with the best practices for preventing fraud.

**Reference:** An act to amend section 11019.7 of the Government Code, and to add section 341 to the Unemployment Insurance Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

**Status:** 8/26/21- August 26 hearing held in Committee and under submission.

**[SB 497 \(Limon\)](#)** – **Qualifying accounts for direct deposit of publically administered funds** This bill revises the description of a person to whom EDD must provide the option of direct deposit and would require, if the benefits are directly deposited to an account of the recipient's choice, the payments to only be deposited to an account that meets the requirements of a qualifying account. The bill prohibits a person or entity that is not an insured depository financial institution, as defined, that offers, maintains, or manages an account that is not a qualifying account from soliciting, accepting, or facilitating the direct deposit of these benefits to the account. Under the bill, the EDD will not be held liable for authorizing a direct deposit of these benefits into an account designated by the recipient that is not a qualifying account.

**Reference:** An act to amend section 17325 of the Family Code, section 1339.1 and 2701 of the Unemployment Insurance Code, and section 11006.2 of the Welfare and Institutions Code, relating to direct deposit of funds.

**Status:** 10/5/21 – Chaptered by Secretary of State- Chapter 546, statutes of 2021.

**[SB 644 \(Leyva\)](#)** – **Health care coverage outreach.** This bill would require the California Health Benefit Exchange (Exchange), at least monthly beginning July 1, 2022, to request from the EDD contact information of each applicant for unemployment compensation or any other program administered by the EDD. The bill would require the EDD to provide specified information to the Exchange or the State Department of Health Care Services upon request to assist in determining eligibility for the state and federal health subsidy programs administered by those state agencies. The bill would require the Exchange to market and publicize the availability of health care coverage through the Exchange, and engage in outreach activities, to the individuals whose contact information the Exchange receives from the EDD.

**Reference:** An act to add section 100503.9 to the Government Code, and to amend section 1095 of the Unemployment Insurance Code, relating to health care coverage.

**Status:** 06/17/21- Re-referred to Committee on Rules pursuant to Assembly Rule 96.

## **D. Regulations**

### **Amendments to Title 22, California Code of Regulations sections 2706-5 and 2706-7**

These regulations include provisions to establish criteria for determining timeliness of a SDI benefit payment pending an appeal when the envelope with a postmark date is not retained. The regulations clarify that the postmark date is established by counting back five business days from the receipt date.

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**Amendments to Title 22, California Code of Regulations  
sections 2655 (d)-1**

These regulations establish definitions for the terms “Date Disability Began” and “Claim Effective Date.” These definitions will eliminate ambiguity and clarify the use of each date when determining a claimant’s base period and benefit award.

You can access information about DI, PFL, and the VPG by visiting [State Disability Insurance](#). For further assistance with your VP, email the [vpprogram@edd.ca.gov](mailto:vpprogram@edd.ca.gov).

Sincerely,

A handwritten signature in blue ink, appearing to be "RONALD WASHINGTON". The signature is stylized with a large, looped "R" and a long horizontal stroke.

RONALD WASHINGTON  
Deputy Director  
Disability Insurance Branch

Enclosures

Annual 2022 VP Calendar of Required Actions

## Annual 2022 Calendar of Required Actions

Due Date	Required Actions
February 15, 2022	<p><a href="#"><u><b>Annual Report of Self-Insured Voluntary Plan Transactions as Required by California Code of Regulations, Title 22, Section 3267-2 (DE 2568V) (PDF)</b></u></a> Submit this form by selecting the <b>SEND TO EDD</b> button. (include bank statements for employee paid plans) Reference: California Code of Regulations, Title 22, section 3267-2</p>
April 15, 2022	<p><a href="#"><u><b>Voluntary Plan (VP) Security Review Worksheet (SRW) (DE 2544SRW) (PDF)</b></u></a> Submit this form by selecting the <b>SEND TO EDD</b> button.  Send the original security to the Voluntary Plan Group (VPG) if the increase is 5% or more. Copies and emailed documents will not be accepted. Reference: CUIC, section 3258</p>
June 15, 2022	<p><a href="#"><u><b>Voluntary Plan Third Party Administrator Authorization (DE 2520BV-A) (PDF)</b></u></a> The VP employer completes this form to authorize a third party administrator (TPA) to act on its behalf.  <a href="#"><u><b>Voluntary Plan Third Party Administrator Administrative Changes (DE 2520BV-B) (PDF)</b></u></a> The designated TPA completes this form to indicate which duties are performed by the TPA on behalf of the VP employer.  <a href="#"><u><b>Voluntary Plan Employer Administrative Changes (DE 2520BV-C) (PDF)</b></u></a> The VP employer completes this form to inform VPG of its authorized representatives. These forms should be emailed to <a href="mailto:dibvpnewplans@edd.ca.gov"><u>dibvpnewplans@edd.ca.gov</u></a>. Reference: CUIC, section 3267</p>
	<p><a href="#"><u><b>Voluntary Plan (VP) Text Provisions (DE 2008) (PDF)</b></u></a> These forms should be emailed to <a href="mailto:dibvpnewplans@edd.ca.gov"><u>dibvpnewplans@edd.ca.gov</u></a>  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>

**Send securities to:**

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

Email claim related forms or if you have questions to:

- Disability Insurance: [VP Disability Insurance](#)
- Paid Family Leave: [VP Paid Family Leave](#)