



December 31, 2025

Dear Voluntary Plan Employer:

The General Release Letter provides:

- 2026 State Disability Insurance (SDI) contribution rate.
- Voluntary Plan (VP) assessment rate.
- Information on legislation and changes that may affect your VP.

### **State Disability Insurance Contribution Rate**

Starting January 1, 2026, the SDI worker contribution rate will be 1.3 percent of an employee's annual gross taxable wages.

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

### **Voluntary Plan Assessment Rate**

Starting January 1, 2026, the Voluntary Plan (VP) assessment rate will be 14 percent of the Disability Insurance (DI) State Plan contribution rate multiplied by taxable wages.

In 2026, with the State Plan tax rate at 1.3 percent, VP employers are assessed at 0.00182 (14 percent of 0.013) of VP taxable wages.

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

### **Legislation**

SDI Bills Tracked During 2025 – 2026 Fall Legislative Session.



## Assembly Bills

– [Assembly Bill \(AB\) 91 \(Harabedian\)](#) – **State and local agencies: demographic data.**

Starting January 1, 2028, state and local agencies that collect demographic data must use separate categories for major Middle Eastern or North African groups. With some exceptions, agencies must include that data in every demographic report published on or after January 1, 2029. The data must be made available to the public.

**Reference:** An act to add Section 8310.4 to the Government Code, relating to state and local government.

**Status:** 10/06/2025 - Approved by the Governor and chaptered by the Secretary of State - Chapter 357, Statutes of 2025.

The Legislative Affairs Branch has asked to pause implementation at this time while the Governor's Office considers changes to this bill as part of next year's budget process. Updates will be provided when more information is available

– [AB 496 \(Castillo\)](#) – **Unemployment and disability insurance: quality of services: reporting.**

This bill would require the Legislative Analyst's Office to submit a report to the Legislature on or before January 1, 2027, and every year after that. The report evaluates the quality of services provided by the department to the public for unemployment and disability insurance. The bill would repeal these provisions on January 1, 2031.

**Reference:** An act to add and repeal Section 3309 of the Unemployment Insurance Code relating to unemployment insurance.

**Status:** No change; 02/24/2025 - Referred to Insurance Committee.

– [AB 1337 \(Ward\)](#) – **Information Practices Act of 1977**

Existing law, known as the Information Practices Act of 1977, sets requirements for how agencies collect, store, and share personal information. The existing law exempts the following from these requirements:

- Counties
- Cities
- Any city and county
- School districts

- Municipal corporations
- Districts
- Political subdivisions
- Other local public agencies

This bill would remove that exemption for local agencies. It would also revise the definition of “personal information”. Because the bill would expand the duties of local officials, this bill would impose a state-mandated local program.

**Reference:** An act to amend Sections 1798.3, 1798.16, 1798.17, 1798.19, 1798.20, 1798.24, 1798.24b, 1798.25, 1798.26, 1798.27, 1798.29, 1798.44, 1798.55, 1798.57, and 1798.68 of the Civil Code, relating to information privacy.

**Status:** 07/15/25 - In committee: Failed passage. Reconsideration granted.

– [\*\*AB 1365 \(Garcia\)\*\*](#) – **CalAccount Program.**

Existing law requires the Treasurer to bring together the CalAccount Blue Ribbon Commission. By July 1, 2024, the commission must complete a market analysis to determine if it is possible to implement a CalAccount Program.

This bill would:

- Repeal those provisions and would establish the CalAccount Program. The program would provide every Californian with access to a voluntary, zero-fee, zero-penalty, federally insured transaction account and related payment services at no cost to accountholders.
- Require the CalAccount Commission to run the program. The commission would enter into contracts with financial institutions to ensure access to ATM networks and locations where accountholders can deposit funds.
- Require the commission to request proposals and select a financial services network administrator and establish their duties and functions. They must also establish a way for an accountholder to deposit funds or withdraw funds from a CalAccount account.
- Establish the CalAccount Fund in the State Treasury and make money in the fund available only after the Legislature approves it.
- Require all employers and hiring entities to maintain a payroll direct deposit arrangement that enables voluntary worker participation in the program. Employers and hiring entities would also need to coordinate their payroll process with the CalAccount Program to support direct deposit payments.

**Reference:** An act to amend Section 1947.3 of the Civil Code, to repeal and add Title 21.1 (commencing with Section 100100) to the Government Code, to add Section 90.4 to the Labor Code, and to amend Section 12302.2 of the Welfare and Institutions Code, relating to financial services.

**Status:** No change; 05/23/2025- In committee: Held under submission.

– [\*\*AB 1443 \(Castillo\)\*\*](#) – **Personal income taxes: unemployment insurance: tips.**

For taxable years beginning on or after January 1, 2026, and before January 1, 2031, this bill would not count tips as a part of gross income for the purposes of the Personal Income Tax Law.

Tips would also not be treated as wages paid for employment for the purposes of income tax withholding, unemployment insurance, and the employment training tax.

This bill would also make related changes to other provisions.

**Reference:** An act to amend Sections 17215.1, 17551, 18631, 18663, and 19183 of, to add Section 17132.6 to, and to add and repeal Section 17131.18.5 of, the Revenue and Taxation Code, and to amend, repeal, and add Sections 940, 13009, and 13009.5 of, and to repeal and add Sections 927, 987.7, 13027, and 13055 of, the Unemployment Insurance Code, relating to taxation.

**Status:** 06/05/25 - From committee: Without further action pursuant to Joint Rule 62(a).

**Senate Bill (SB)**

– [\*\*Senate Bill \(SB\) 17 \(Ochoa Bogh, Grove and Valladares\)\*\*](#) – **Personal income taxes: Personal income taxes: deductions: tips.**

For taxable years beginning on or after January 1, 2026, and before January 1, 2036, this bill would allow qualified taxpayers to deduct qualified tips from their adjusted gross income, up to \$20,000.

**Reference:** An act to amend Section 17072 of, and to add and repeal Section 17211 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

**Status:** 05/23/25 - Hearing: Held in committee and under submission.

– [\*\*SB 590 \(Durazo\)\*\*](#) – **Paid family leave: eligibility: care for designated persons.**

Starting July 1, 2028, this bill would expand eligibility for paid family leave benefits. It would impact individuals who take time off work to care for a seriously ill designated person.

The bill would define designated person as any caregiver related by blood or whose association with the individual is the equivalent of a family relationship. These changes would be made to the definitions of the terms, family care leave and family member.

If an individual requests family temporary disability insurance benefits for the first time to care for a designated person, they would need to name the designated person. They would also need to explain how you are related by blood, or how your association with the designated person is the equivalent of a family relationship.

By expanding the range of the crime of perjury, the bill would impose a state-mandated local program.

**Reference:** An act to amend, repeal, and add Sections 3301, 3302, and 3303 of the Unemployment Insurance Code, relating to disability compensation, and making an appropriation therefor.

**Status:** 10/13/25 - Approved by the Governor, Chaptered by Secretary of State. Chapter 772, Statutes of 2025.

– [\*\*SB 628 \(Grove\)\*\*](#) – **Employment: employer contributions: employee withholdings: credit: agricultural employees**

This bill would allow an employer to claim a credit equal to the amount of overtime wages paid during that quarter to specified agricultural employees covered by a certain wage order. Employer's would need to claim the credit on the report of contributions, quarterly return, and report of wages, or in an electronic funds transfer.

The bill would prohibit the total amount claimed in any given quarter from exceeding the amount that would have been remitted for that quarter to the Employment Development Department for employee withholdings.

**Reference:** An act to add Division 6.1 (commencing with Section 13200) to the Unemployment Insurance Code relating to employment.

**Status:** 04/23/25 - Set for first hearing. Failed passage in committee. (Ayes 1. Noes 4. Page 870.) Reconsideration granted.

## Regulations

### – **Bearer Bonds - Amendments to Title 22, California Code of Regulations: 3258-1(a)**

These regulations would remove the reference to Bearer Bonds for Voluntary Plan (VP) securities. These would be consistent with the tax Equity and Fiscal Responsibility Act of 1982.

**Status:** This rulemaking item was reported on the Department's 2024 calendar. It has been converted to a Section 100 and is currently under review with the Department.

### – **Voluntary Plan Adjustment Plan Text Date - Amendments to Title 22, California Code of Regulations: 3271-1.**

These regulations would say that Voluntary Plan (VP) employers, or their designated Third-Party Administrator's, need to submit their updated plan text to the Employment Development Department (EDD) for review and approval at least 30 days before any changes takes effect. This includes changes to contribution rates, and any new laws or regulation.

This requirement will help VP employers follow current laws and regulations when administering their VPs for their covered employees.

This regulation will also give the EDD enough time to review and approve Voluntary Plan text provisions before the effective date of changes in contribution rates, benefit amounts, and new provisions.

**Status:** This rulemaking item has been updated and is under review with the Department.

### – **Foster Child Bonding – Amendments to Title 22, California Code of Regulations: 2706-1, 2706-2, 2708(c)-1, 3267-1**

This regulation would follow statewide practice by not asking for Foster Child's Personal Identity Information on department forms.

**Status:** The regulation package has been finalized and is under agency review.

### – **Assembly Bill 2123: Section 100 regulation package – Amendments to Title 22, California Code of Regulations: 3303.1(c)-1.**

This regulation will remove an employer's ability to require employees to use two weeks of earned unused vacation leave before applying for Paid Family Leave benefits. This regulation aligns with Assembly Bill 2123 and aligns with CUI § 3303.1(c)(1), which went into effect on January 1, 2025.

**Status:** This rulemaking item is under review with the Department.

## Glossary of Legislative Terms

- **Inactive File:** The part of the daily file that includes legislation ready for floor consideration, but is no longer active or moving forward.
- **Filed with the Chief Clerk Pursuant to Joint Rule 56:** Bills that are introduced in the first year of the regular session that do not become carry-over bills are returned to the Chief Clerk of the Assembly or the Secretary of the Senate.
- **Chaptered:** The bill was:
  - Passed by the Legislature, both houses.
  - Signed by the Governor.
  - Enacted into law.
- **Died on File Pursuant to Joint Rule 56:** The bill is dead. Under Joint rule 56, bills introduced in the first year of the regular session that do not become carry-over bills will be returned to the Chief Clerk of the Assembly or the Secretary of the Senate”.
- **Held in Committee and Under Submission:** The bill fails to receive enough votes to pass out of committee.
- **Veto:** When the Governor disapproves a measure by returning it to its House of origin. The Governor's veto may be overridden by a two-thirds vote of each House.

The Governor can also use a line-item veto, where the amount of an appropriation is reduced or eliminated, while the rest of the bill is approved. A line-item veto may also be overridden by a two-thirds vote in each House.
- **Do Pass:** A recommendation made by a committee; moves a bill to the Floor or to the next committee, providing the language of the bill is changed.

Go to the [Glossary of Legislative Terms](#) for a full list.

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For more information:

- Visit [State Disability Insurance](https://edd.ca.gov/disability) (edd.ca.gov/disability).

For help with your Voluntary Plan:

- Email [vpprogram@edd.ca.gov](mailto:vpprogram@edd.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Grecia Staton". The signature is fluid and cursive, with the first name "Grecia" being more prominent than the last name "Staton".

Grecia Staton  
Deputy Director  
Disability Insurance Branch

**Included with this letter:**

- 2026 Annual VP Calendar of Required Actions





## Annual 2026 Calendar of Required Actions

Due Date	What You Need to Do
February 17, 2026	<p><a href="#">Annual Report of Self-Insured Voluntary Plan (VP) Transactions (DE 2568V) (PDF)</a></p> <ul style="list-style-type: none"><li>Submit this form by selecting the SEND TO EDD button. (Include VP Trust Fund bank statements for employee paid plans)</li></ul> <p><b>Reference:</b> California Code of Regulations, Title 22, section 3267-2</p>
April 15, 2026	<p><a href="#">Voluntary Plan (VP) Security Review Worksheet (SRW) (DE 2544SRW) (PDF)</a></p> <ul style="list-style-type: none"><li>Submit this form by selecting the <b>SEND TO EDD</b> button.</li></ul> <p>Send the original security to the Voluntary Plan Group (VPG) if the increase is 5% or more. Security decreases can also be submitted if the VPG approved the Security Review Worksheet confirming the allowed decrease amount. Copies and emailed documents will not be accepted.</p> <p><b>Reference:</b> California Unemployment Insurance Code (CUIC), section 3258</p>
June 15, 2026 <b>Note:</b> These forms are also required to be submitted immediately whenever there is a change to the administrative contact information.	<p><a href="#">Voluntary Plan Third Party Administrator Authorization Form (DE 2520BV-A) (PDF)</a></p> <p>The Voluntary Plan employer completes this form to authorize a Third-Party Administrator to act on its behalf.</p> <p><a href="#">Voluntary Plan Third Party Administrator Administrative Changes (DE 2520BV-B) (PDF)</a></p> <p>The designated Third Party Administrator completes this form to indicate which duties are performed by them on behalf of the Voluntary Plan employer.</p> <p><a href="#">Voluntary Plan Employer Administrative Changes (DE 2520BV-C) (PDF)</a></p> <ol style="list-style-type: none"><li>The Voluntary Plan employer completes this form to inform the Voluntary Plan Group of its authorized representatives.</li><li>These forms should be emailed to <a href="mailto:dibvpnewplans@edd.ca.gov">dibvpnewplans@edd.ca.gov</a>.</li></ol> <p><b>Reference:</b> CUIC, section 3267</p>
December 2, 2026 For changes starting January 1, 2027	<p><a href="#">Voluntary Plan (VP) Text Provisions (DE 2008) (PDF)</a></p> <ol style="list-style-type: none"><li>The Voluntary Plan text provisions applies to Voluntary Plan Disability Insurance and Paid Family Leave benefit periods.</li><li>These forms should be emailed to <a href="mailto:dibvpnewplans@edd.ca.gov">dibvpnewplans@edd.ca.gov</a>.</li></ol> <p><b>Reference:</b> CUIC, section 3271(a); <a href="#">Employer's Guide to Voluntary Plan Procedures (DE 2040)</a>, section – Amendments Initiated by the Employer</p>

**Send securities to:**

EDD, Disability Insurance Branch  
Voluntary Plan Group - Security Analyst  
PO Box 980149, MIC 29VP  
West Sacramento, CA 95798-0149

Email disability and Paid Family Leave questions and forms to:

- Disability:** [divpg@edd.ca.gov](mailto:divpg@edd.ca.gov)
- Paid Family Leave:** [dibpflvp225@edd.ca.gov](mailto:dibpflvp225@edd.ca.gov)