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New Expansions to Paid Family Leave Coming in California

In January 2019, Governor Gavin Newsom announced that California would soon be expanding its Paid Family Leave (PFL) program. That promise has come to fruition in the May revisions to Governor Newsom's budget released earlier this month.

PFL is a component of the State's Disability Insurance (SDI) program–a state-sponsored program administered by the Employment Development Department (EDD). The purpose of PFL is to provide partial wage replacement to employees requiring time off from work to care for a seriously ill or injured family member or to bond with a minor child within one year of either birth, adoption, or placement in foster care.

Until now, PFL has provided this partial wage replacement for a maximum of six weeks per claimant. The Administration is proposing to expand the maximum from six weeks to eight weeks for all baby bonding and care-giving claims, with an additional month available for two-parent families, **effective July 1, 2020**. The Administration intends to cover the costs of these extended benefits by reducing the minimum reserve in the Disability Insurance Fund by fifteen percent, **effective July 1, 2019**. As such, employers should not expect to see a significant increase in the contribution rate.

For employers, this proposal does not require any immediate action. Employers' only obligations regarding PFL are: 1) to inform employees about the existence of the program; 2) to instruct employees how to apply; and 3) to withhold employee contributions to SDI. San Francisco employers with more than 20 employees are also required to comply with the city's Paid Parental Leave Ordinance (PPLO). More information on PPLO can be found here. Employers are simply encouraged to remain aware of the dates that these changes go into effect, so they can be prepared to update any pamphlets or information they provide to employees regarding PFL benefits.

Click here for a summary of the new budget proposal regarding PFL.