CRC BENEFITS | THRIVE Workplace Benefits Dedicated to Development and Success

CALIFORNIA

Regulatory Compliance and Resources by State

STATE CONTINUATION OF COVERAGE

Covered Employees: Employers with 2–19 employees. For employers with 20+ employees and fully insured medical plans, Cal-COBRA may extend continuation coverage for up to 36 months. Cal-COBRA extension does not apply to dental and vision plans.

Qualified Beneficiaries: Any individual who is an enrollee in a group health plan on the day before a qualifying event

Qualifying Events:

- Termination (except for gross misconduct)
- Reduction in hours
- Divorce or legal separation
- Loss of dependent status
- Employee enrolls in Medicare
- Employee death

COBRA Duration: 36 months. This can be 36 months of Cal-COBRA alone or 18 months of federal COBRA followed by 18 months of Cal-COBRA

Maximum Premium Amount: 110% of the premium; 150% after the first 18 months of continuation coverage for disability

PAID FAMILY LEAVE

PFL benefits are funded by employees through State Disability Insurance (SDI) contributions from their paychecks. Employers are required to collect these contributions, send them to the EDD, and respond to employee claims for PFL. For more information, visit Employer Requirements.

PAID FAMILY LEAVE POSTERS AND NOTICES

Employers are required to withhold and send SDI contributions to the EDD. They must also inform their employees of laws and regulations pertaining to employment, benefits, and working conditions. Currently, employers must provide information about SDI to their employees by posting and providing the following:

Notice to Employees: Unemployment Insurance/Disability Insurance/Paid Family Leave (DE 1857A) – Poster tells employees of their right to claim UI, DI, and PFL benefits. If employees are not covered by UI, employers must post the Notice to Employees (DE 1858).

Disability Insurance Provisions (DE 2515) – Brochure for new hires and when an employee tells their employer they need to take time off work due to a non-work-related illness, injury, pregnancy, or childbirth.

Paid Family Leave Benefits (DE 2511) – Brochure for new hires and when an employee tells their employer they need to take time off work to care for a seriously ill family member, bond with a new child, or participate in a qualifying event because of an eligible family member's military deployment to a foreign country.

The pamphlets and poster are provided to employers at no cost. You can order forms and publications through the Online Forms and Publications page or by calling our toll-free number. You can also download and print DI Forms and Publications and PFL Forms and Publications.

- Employers – General Information
- Employers – Forms and Publications
- Employers – FAQs
- PFL Employer Toolkit (PDF)

STATE EMPLOYER REPORTING

Insurance providers are required to report health coverage information to us annually by March 31 or face a penalty. However, no penalty will apply if the return is filed on or before May 31. Employers are similarly required to report insurance information to us by March 31, but only if their insurance providers do not report to FTB. This requirement comes from the Individual Shared Responsibility Penalty that was enacted at the same time as the health care mandate. The penalty for not reporting is $50 per individual who was provided health coverage.

The deadline for reporters to provide information returns to individuals is January 31, and no extensions are available. FTB does not impose a penalty for a failure to provide returns to individuals by this deadline. For information on reporting instructions, review Publications.

PAID SICK LEAVE

In California, most workers earn Paid Sick Leave to take time off work to care for themself or a family member. Read about the different types of Paid Sick Leave below.

Paid Sick Leave (PSL)

Paid Sick Leave (PSL) is a permanent law in California that requires employers to provide at least 24 hours or three days off each year to most workers. This includes full-time, part-time and temporary workers who meet these qualifications:

- Work for the same employer for at least 30 days within a year in California, and
- Complete a 90-day employment period before taking any paid sick leave

PSL can be used to:

- Recover from physical/mental illness or injury
- To seek medical diagnosis, treatment, or preventative care
- To care for a family member who is ill or needs medical diagnosis, treatment, or preventative care

Employers can choose to provide more PSL hours or days off. Employers can choose to have a PSL policy that provides all of the hours at one time, or the policy can require employees to earn the paid sick leave hours in an accrual plan. Employees under an accrual plan must earn at least one hour of paid sick leave for each 30 hours of work.

Read more about this: Permanent Paid Sick Leave law that took effect in 2015.

FAQ

MANDATORY 401(K)

CalSavers Retirement Savings Program

CalSavers is a retirement savings program for private sector workers whose employers do not offer a retirement plan. This program gives employers an easy way to help their employees save for retirement, with no employer fees, no fiduciary liability, and minimal employer responsibilities.

Employers with five or more employees must participate in CalSavers if they do not already have a workplace retirement plan. The following deadlines to register are based on the size of the business.

CalSavers Deadlines by Business Size

Size of Business	Deadline
Over 100 employees	September 30, 2020 (Deadline Passed)
Over 50 employees	June 30, 2021
5 or more employees	June 30, 2022

To register, visit CalSavers.

Note: Due to the COVID-19 pandemic, the first registration deadline for employers with more than 100 employees was extended to September 30, 2020. Employers who missed this deadline should contact CalSavers and register as soon as possible to avoid penalties.

STATE DISABILITY INSURANCE

Disability Insurance and Paid Family Leave Benefits

The California State Disability Insurance (SDI) program provides short-term Disability Insurance (DI) and Paid Family Leave (PFL) wage replacement benefits to eligible workers who need time off work.

You may be eligible for DI if you are unable to work due to non-work-related illness or injury, pregnancy, or childbirth.

You may be eligible for PFL to:

- Care for a seriously ill family member.
- Bond with a new child.
- Participate in a qualifying event because of a family member's military deployment to a foreign country.

Employers and Self-Employed

- Employers Overview
- Eligibility for Your Employees
- Employer Requirements
- Self-Employed and Independent Contractors
- Elective Coverage
- Workers' Compensation

SURPRISE BILLING

What is a surprise bill?

Before July 1, 2017, consumers sometimes received unexpected bills from out-of-network providers when they sought services at an in-network facility. The bills were a result of a billing disagreement between insurers and out-of-network providers.

Here are some examples of when consumers have gotten surprise bills in the past:

- A consumer had a surgery at an in-network hospital, but the anesthesiologist who provided care was not in their health insurer network. Even though the consumer did not have a choice in who their anesthesiologist was, that provider sends a bill to the consumer after the surgery.
- A consumer goes to an in-network lab or imaging center for tests and the doctor who reads the results is not in their health insurer's network. That doctor then bills the consumer for their services creating a surprise bill.

No more surprise medical bills:

Consumers are no longer put in the middle of billing disputes between health insurers and out-of-network providers when seeking non-emergency services. Consumers can only be billed for their in-network cost-sharing (copays, coinsurance or deductible), when they use an in-network facility for non-emergency care.

Beginning July 1, 2017, California law protects consumers from surprise medical bills when they get non-emergency services, go to an in-network health facility and receive care from an out-of-network provider without their consent. In this case, the law states that consumers only have to pay their in-network cost sharing. Medical providers are prohibited from sending consumers out-of-network bills when the consumer followed their health insurer's requirements and received non-emergency services in an in-network facility. Facilities include hospitals, ambulatory surgery centers or other outpatient settings, laboratories, and radiology and imaging centers.

Consumers following their health insurer's requirements are protected from having their credit hurt, wages garnished, or liens placed on their primary residence.

FREQUENTLY ASKED QUESTIONS:

What if I received a surprise bill? And what if I already paid it?

If you received a surprise bill for medical services provided after July 1, 2017 and already paid more than your in-network cost share (copay, coinsurance or deductible) file a complaint with your health insurer with a copy of the bill. Your health insurer will review your complaint and should tell the provider to stop billing you. If you do not agree with your health insurer's response or would like help from the California Department of Insurance to fix the problem, you can file a complaint with us online or by calling 1-800-927-4357.

Does AB 72 apply to everyone?

The new law created by AB 72 applies to people with health insurance policies or plans regulated by the Department of Insurance or the California Department of Managed Health Care that were issued, amended, or renewed on or after July 1, 2017. It does not apply to Medi-Cal plans, Medicare plans or self-insured plans. If you do not know what kind of plan you have, you can call the Department of Insurance Help Center at 1-800-927-4357.

What if I want to see a doctor who I know is out-of-network?

If you have a health insurance policy with an out-of-network benefit, such as a PPO, you can choose to go to an out-of-network provider. If you go to an in-network facility and want to see an out-of-network provider, you have to give your permission in writing by signing a form provided by the out-of-network provider at least 24 hours before you receive care. The form must be separate from any other document used to obtain consent for any other part of the care or procedure and should inform you that you can receive care from an in-network provider if you choose. At the time consent is provided, the out-of-network provider shall give the consumer a written estimate of the consumer's total out-of-pocket cost of care.

If you have any questions about a surprise bill, please contact the Department's Help Center online or call us at 1-800-927-4357.

Surprise Billing fact sheet

Department of Insurance website: http://www.insurance.ca.gov/

CRC BENEFITS | THRIVE Workplace Benefits
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SAN FRANCISCO

Regulatory Compliance and Resources by State

STATE CONTINUATION OF COVERAGE

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PAID FAMILY LEAVE

In California, employees can get paid family leave for up to 8 weeks to bond with a new child.

ADDED BENEFIT

San Francisco's Paid Parental Leave law offers an added benefit. If you have a new child, you might be able to get a weekly payment from your employer in addition to the California family leave benefit. This extra payment is called "supplemental compensation."

HOW IT WORKS

The amount depends on your salary. Here's how it works:

- State family leave benefits + additional employer payment (Paid Parental Leave benefits) = your full salary before taxes (up to $2,700 per week in 2023)

With both payments, most employees will get their full salary for the 8 weeks they're on leave.

REQUIREMENTS

The law only applies to employees at businesses with 20 or more employees worldwide. If you work at smaller businesses, you can't get this benefit.

There are a few other requirements.
You must also:

- Be currently getting paid family leave from the state to bond with a new baby, adopted child, or foster child
- Have been working for an employer for at least 180 days before leave starts
- Work for the employer in San Francisco for at least 8 hours a week
- Work at least 40% of their total hours for the employer in San Francisco

LEGAL CODE

The San Francisco Board of Supervisors passed the Paid Parental Leave Ordinance on April 12, 2016.

- The full Paid Parental Leave, article 33H of the San Francisco police code
- Paid Parental Leave amendment (updated April 2020)
- Paid Parental Leave rules
- Frequently Asked Questions

RESOURCES

- Paid Parental Leave poster (employers are required to print on 8.5 x 14 inch paper)
- Step-by-Step Guides for the PPLO process:
  - English: Employee's Step-by-Step Guide and Employer's Step-by-Step Guide
  - Spanish: Employee's Step-by-Step Guide and Employer's Step-by-Step Guide
  - Chinese: Employee's Step-by-Step Guide and Employer's Step-by-Step Guide
- San Francisco Paid Parental Leave Calculator 2023
- San Francisco Paid Parental Leave Calculator 2022
- Videos about SF labor laws

SAN FRANCISCO EMPLOYER REPORTING

Learn More

Employer Annual Reporting Form Instructions Reporting Deadline

All Employers covered by the Health Care Security Ordinance and/or the Fair Chance Ordinance are required to submit the 2021 Employer Annual Reporting Form by May 2, 2022. Covered Employers who fail to submit the Employer Annual Reporting Form by the deadline may be subject to a penalty of $500 per quarter.

You are not required to submit the 2021 Employer Annual Reporting Form if:

- You employed fewer than 20 persons (including those employed outside of San Francisco) in each of the four calendar quarters of 2021, and you do not have a contract with the City and County of San Francisco; or
- You had no employees within the geographic boundaries of San Francisco (including employees working from home in San Francisco) in any quarter of 2021. You do not need to notify the City that you are not required to submit the Form; no further action is required. If you received a mailing saying that you might be required to submit the Employer Annual Reporting Form, you do not need to request removal from the mailing list. The City is aware that some entities on the list may not be covered by these laws and may not be required to submit this form. The list was based on information you provided in your last tax filing or business registration with the SF Treasurer and Tax Collector's Office. You can update your Business Account Information with the San Francisco Treasurer and Tax Collector's Office online here: Manage Your Business | Treasurer & Tax Collector (sftreasurer.org)

PAID SICK LEAVE

Learn More

The San Francisco Paid Sick Leave Ordinance (PSLO) requires employers to provide paid sick leave to all employees (including temporary and part-time employees) who perform work in San Francisco. Employees earn 1 hour of paid sick leave for every 30 hours worked.

Employers with 10 or more employees may cap an employee's sick time balance at 72 hours. Employers with fewer than 10 employees may cap an employee's sick time balance at 40 hours.

POSTER

Paid Sick Leave Poster

Poster must be displayed at each workplace or job site. The poster is designed to be printed on 8.5" x 14" paper.

LEGAL AUTHORITY

In 2006, San Francisco voters passed the Paid Sick Leave Ordinance (PSLO), becoming the first city in the United States to pass a paid sick leave law. The law took effect on February 5th, 2007. In 2016, San Francisco voters passed amendments to the PSLO to include worker protections that largely parallel California's Healthy Workplaces, Healthy Families Act of 2014.

- San Francisco Paid Sick Leave Ordinance, Administrative Code Chapter 12W
- Rules Interpreting the Paid Sick Leave Ordinance
- Frequently Asked Questions

Please Note

Note: OLSE guidance issued during the current Local Health Emergency temporarily supersedes any **conflicting Rules or FAQs.**

RESOURCES

- Updated paid sick leave information for workers during COVID-19
- Paid Sick Leave video explanation
  - English
  - Cantonese
  - Mandarin
  - Spanish
  - Filipino

BUSINESS RESOURCES

- Mayor's Office of Economic & Workforce Development
- San Francisco Office of Small Business
- State of California Paid Sick Leave Law – Frequently Asked Questions
- California Division of Labor Standards Enforcement
- U.S. Department of Labor
- USPS Zip Code Lookup (Note: neither SFO nor the Presidio are covered by the law)

San Francisco Disability

GENERAL QUESTIONS:

1. What is San Francisco Paid Parental Leave?

The San Francisco Paid Parental Leave Ordinance (SF PPLO) requires employers who have employees working in San Francisco to provide Supplemental Compensation to employees who are receiving California Paid Family Leave (PFL) benefits to bond with a new child, so that the employees receive up to 100% of their normal weekly wages during 6 weeks of parental leave.

Please Note

NOTE: There are two different parental leave benefit *laws that employees may access:*

(1) the California Paid Family Leave (PFL) program, paid by the State of California's Employment Development Department (EDD); and

(2) the San Francisco Paid Parental Leave Ordinance (PPLO), paid by Covered Employers. In order to receive the San Francisco parental leave benefits, an employee will have to apply for both the CA PFL benefits (by applying to EDD) and the SF PPLO benefits (by submitting the documentation to the employee's employer).

2. How does it work?

The California Paid Family Leave (PFL) is a state benefits program that provides eligible employees with up to 55% (in 2018, the rate will increase to 60% or 70%, depending on income) of their weekly wages for up to 6 weeks to bond with a newborn, newly adopted or foster child. Under the SF PPLO, employers are required to provide employees receiving state PFL for new child bonding with "Supplemental Compensation" equal to the difference between the employee's PFL benefit amount and the employee's normal gross weekly wages such that the employee receives up to 100% of their weekly wages, subject to a weekly maximum benefit amount, for up to 6 weeks.

3. When does it go into effect?

The San Francisco Paid Parental Leave Ordinance takes effect on January 1, 2017 for San Francisco employers with 50 or more employees; on July 1, 2017 for employers with 35 or more employees; and on January 1, 2018 for employers with 20 or more employees.

4. Which employers are covered?

Employers that employ the Threshold Number of Employees (see Question 3, above) are covered. This includes employers located outside of San Francisco, but who have employees who work in San Francisco. Government employers are not covered. To determine whether you employ the required Threshold Number of employees, you must include in the count all employees regardless of their status or classification as seasonal, permanent or temporary, full-time or part-time, contracted or otherwise, and include both those employees who work within San Francisco and those employees who work outside of San Francisco. {Mar 2017}

If your workforce fluctuates from week to week, you are a covered employer if the average number of employees that you employ during the PPLO Lookback Period reaches the Threshold Number of Employees. The PPLO Lookback Period is the three monthly pay periods, six bi-weekly or semi-monthly pay periods, or 12 weekly pay periods preceding the start of the first day of an employee's California Paid Family Leave (PFL) benefits period or preceding the first day of any increment of intermittent state PFL leave. The PPLO Lookback Period does not include any pay periods during which the employee was on unpaid or partially paid leave, including pregnancy disability leave for new mothers (see examples below).

For more information on calculating employer size for employers with a fluctuating workforce, please see Rule 2 in the Rules Implementing the Paid Parental Leave Ordinance, which can be found here.

Example: Lookback period for new mother transitioning from pregnancy disability leave PPLO Lookback Period above for Employer and Employee Eligibility is February 6, 2017 – April 30, 2017 (12 weeks prior to May 1, 2017).

5. Which employees are covered?

Only employees who meet ALL of the following requirements are covered under the SF PPLO and are entitled to receive Supplemental Compensation from their employer(s):

- Commenced work for your covered employer(s) at least 180 days before start of state PFL payment period
- Work at least 8 hours per week for your covered employer(s)
- Work in San Francisco for at least 40% of your weekly hours for your covered employer(s)
- Apply for and receive California Paid Family Leave (PFL) benefits from the State Employment Development Department (EDD) Government employees are not covered.

6. How does an employee apply for Supplemental Compensation under the San Francisco Paid Parental Leave Ordinance?

An employee must complete multiple steps to receive SF Paid Parental Leave from his/her employer. First, the employee must file a claim for California Paid Family Leave (PFL) benefits for new child bonding May 1, 2017 July 10, 2017 {Mar 2017} through the Employment Development Department (EDD).

Employees can file a claim for PFL benefits using SDI Online or a paper claim form. When filing the claim for PFL benefits, OLSE strongly recommends that employees permit the EDD to disclose benefit payment information to the employer(s). EDD provides employees with the option to disclose such information. This will help ensure prompt payment from the employer.

For more information on filing a claim for PFL benefits, click here to be directed to the EDD's website.

Second, the employee must complete the San Francisco Paid Parental Leave Form (PPL Form) and provide it to each Covered Employer (see Question 4 above). You can find the form here. Once the employee files a claim for State PFL, EDD will send the employee a form entitled Notice of Computation (DE429D) which will set forth the employee's weekly State PFL benefit amount. The employee must then either provide the Notice of Computation to covered employer(s) and/or check the box on the PPL Form that permits EDD to share the State PFL weekly benefit amount with the employer(s).

To ensure prompt payment, OLSE strongly recommends that employees both:

(1) Provide the EDD with permission to disclose the PFL benefit amount to employer(s); and

(2) Provide employer(s) with a copy of the Notice of Computation.

Finally, if requested by a covered employer(s), the employee must provide employer(s) with his/her Electronic Benefit Payment (EBP) Notification (form DE 2500E), which is provided by the State EDD and which verifies that an employee is in fact eligible for and receiving State PFL benefits. Your employer may refer to this as your "Notice of Payment."

7. How does an employer verify an employee's eligibility for California Paid Family Leave Benefits?

OLSE recommends that employees provide their employer(s) with their Notice of Computation from the State EDD. The Notice of Computation will show the employee's weekly benefit amount under the CA PFL program. However, this form does not confirm an employee's eligibility for benefits. Therefore, an employer may ask an employee to notify the employer that s/he has received benefits or may request that employees provide them with their Electronic Benefit Payment (EBP) Notification (DE 2500E) which explains that the employee will be receiving benefits via the EBP card. This notification is also known as a "Notice of Payment."

8. How much Supplemental Compensation does an employer have to pay an employee under the SF Paid Parental Leave law?

The employer must provide Supplemental Compensation in for the amount that comprises the difference between the employee's normal weekly wage and the State PFL benefit amount, up to a cap.

Please see detailed instructions here.

If an employee has one employer, her wages have not changed in the last 18 months, and the she earns less than the cap, then EDD will pay approximately 55% of her weekly wages, and her employer will pay 45%, so that she receives 100% of her weekly wages for the 6 weeks of leave. Benefits available under State PFL program are currently capped at $1,173 per week, which is 55% of $2,133 per week. An employer is not required to provide Supplemental

Compensation that exceeds the {Mar 2017} state cap on PFL benefits. For an employee who receives the maximum State PFL benefit of $1,173 per week, an employer's Supplemental Compensation obligation under SF PPLO will be capped at $960 per week, which is 45% of $2,133 per week.

9. Do employers have to pay Supplemental Compensation under the SF PPLO during an employee's one week waiting period under the California Paid Family Leave program?

No, an employer is not required to pay Supplemental Compensation while the employee is serving his/her one week waiting period for California Paid Family Leave (PFL) Benefits (note also that in 2018, the one-week waiting period for State PFL benefits will be eliminated). Rather, an employer is required to pay Supplemental Compensation for the six (6) weeks that an employee is entitled to and receives state Paid Family Leave benefits, which does not include the one week waiting period.

10. Can an employer apply an employee's accrued, unused vacation or sick time toward covering the cost of the required Supplemental Compensation under the SF PPLO?

An employer may—but is not required to—apply up to two (2) weeks of an employee's accrued, unused vacation time to cover the cost of the required Supplemental Compensation. Additionally, the California Unemployment Insurance Code permits—but does not require—an employer to require an employee to take up to two weeks of accrued but unused vacation leave prior to the employee's initial receipt of State PFL benefits.

Note that if the employer requires the employee to do this—use two weeks of vacation prior to his/her initial receipt of State PFL benefits—such usage will not relieve the employer of its obligation to provide the required six (6) weeks of Supplemental Compensation under the SF PPLO. Additionally, the State EDD will consider one of those weeks as the employee's waiting period. An employer may not use an employee's accrued but unused sick time to cover the cost of the Supplemental Compensation.

11. Q. Under what circumstances must a covered employee agree to allow a covered employer to apply the employee's PTO to satisfy the employer's Supplemental Compensation obligation?

For employers with 10 or more employees, the employee must allow the employer to apply PTO accrued in excess of 72 hours.

Example 1. An employer with 20 employees has a PTO policy that complies with Section 12W.3(e). An employee has accrued 72 hours of PTO. The employee need not agree to allow the employer to apply any PTO to satisfy the employer's Supplemental Compensation obligation.

Example 2. Same facts as in Example #1, except that the employee has accrued 82 hours of PTO. The employee must agree to allow the employer to apply up to 10 hours of PTO to satisfy the employer's Supplemental Compensation obligation. {Mar 2017}

Example 3. Same facts as in Example #1, except that the employee has accrued 160 hours of PTO. The employee must agree to allow the employer to apply up to 80 hours of PTO to satisfy the employer's Supplemental Compensation obligation.

Department of Insurance website:
http://www.insurance.ca.gov/