

**Department of Labor and Workforce Development**  
**Responses to Questions From**  
**Senate Budget & Appropriations Committee**  
**May 5, 2017**

**Chairman Sarlo:**

*The State Disability Benefits Fund (SDBF) is used by the State's Temporary Disability Insurance (TDI) program to provide partial wage replacement for workers who become disabled due to injury or illness unrelated to work and to pay for the related administrative expenses. The commissioner determines the annual rate of contribution to be paid by employees so that the SDBF is sufficiently funded.*

*The rate of TDI taxes for employees for CY 2017 is 0.24 percent of wages subject to TDI taxes, which is, for each employee, all wages up to 28 times the statewide average weekly wage, or \$33,500 in CY 2017. The maximum TDI tax to be paid by an employee for CY 2017 is \$80.40.*

*The department responded to FY 2018 OLS Discussion Point questions that the estimated rate of TDI taxes for employees for CY 2018 is 0.10 percent of wages subject to an estimated taxable wage base of \$34,200. These projections will result in a maximum employee TDI tax of \$34.20 in CY 2018. Can the department confirm these estimates?*

**Response to Chairman Sarlo's question:**

Please accept our corrected response. The estimated rate of TDI taxes for employees for CY 2018 is 0.20 percent of wages subject to an estimated taxable wage base of \$34,200. These projections will result in a maximum employee TDI tax of \$68.40 in CY 2018.

- **Question: Please provide an estimate for the rate, and the maximum amount, of the TDI assessment to be charged each employee for calendar year 2018.**

**Corrected Response:**

<u>Estimated Rate</u>	<u>Estimated Taxable Wage Base</u>	<u>Worker Contribution</u>
0.20%	\$34,200	\$68.40

**Senator Ruiz:**

*The “Family Leave Insurance” (FLI) program was established in 2008. FLI extends the States TDI system to provide workers with up to six weeks of FLI benefits for a worker taking leave to provide care for a family members of the worker suffering a serious health condition, or to be with a new child of the worker during the first 12 months after a child’s birth or placement for adoption with the worker’s family.*

*In February 2016, the department launched an application to allow claimants to file initial FLI claims online and to allow both employers and health care providers to submit wage and medical information online. According to the department, claims processed online result in a average time to decisions of 18 days. Complete online claims (those claims where the claimant, employer and health care provided all submit their information online) are completed in fewer than 14 days. Please provide the average time that it takes for a claimant to receive their first FLI benefit payment following the initial filing of a complete online claim.*

**Response to Senator Ruiz’s question:**

Complete online Family Leave Insurance (FLI) claims, those claims where the claimant, employer, and healthcare provider all submit their information online, take an average of 14 days from receipt to examiner decision. When an eligible decision is made on a claim, a debit card is mailed to the claimant from Bank of America that they receive within 7-10 calendar days. The benefits for the duration of the FLI claim are on the card when the claimant receives it, total time is 21-24 days from claim receipt to payment receipt.

If the claimant is a new mother who is transitioning from a Temporary Disability Insurance (TDI) claim to recover from pregnancy directly into a Family Leave Insurance (FLI) claim for baby bonding, the process is very easy through the online system. When the Division receives the mother’s date of delivery, a system-generated form with ID number is automatically sent to the claimant. When the claimant enters the form ID number into the online system the benefits are automatically extended for FLI. The FLI benefits then post to the card issued for her TDI claim within 48 hours. For many of these claims there is no interruption in benefits, as the claim is extended within the 4-6 weeks after delivery during which the claimant is collecting TDI benefits to recover from the pregnancy.