

The Legislature finds and declares all of the following:

- (a) The expansion of the Family Temporary Disability Insurance program, also known as the Paid Family Leave program, has the goal of ensuring that newborns and newly adopted babies can be cared for by a parent or close family member for the first six months of their lives.
- (b) Public health shows that providing up to six months of paid parental leave leads to positive health and educational outcomes for children. We now know, for example, that a baby's interactions with parents in the very first months of the infant's life is critical to help the baby's brain develop. In fact, during the first 1,000 days of a child's life, over 700 neural connections are formed every second, but these connections are dependent on the baby interacting with loving parents, close family members and caretakers. Bonding with a newly adopted baby has also demonstrated lasting long-term mental health benefits.
- (c) Economic research demonstrates that paid parental leave provides greater economic security for parents by increasing labor force attachment overall, and reducing the economic strain on finding and affording infant child care. In California, infant child care averages over \$16,400 per infant per year for care at a child care center or over \$10,600 per infant per year for a family based child care provider.
- (d) Allowing parents to stay at home by providing paid family leave achieves the dual goal of allowing parents to help their children with essential early brain development and improve their family economic security.
- (e) The Paid Family Leave program is an integral program that already supports California's workers, their families, and early childhood development. The program currently provides parents with up to six weeks of paid leave to bond with a new minor child. Collectively, these paid leave benefits provide families with approximately three months of paid leave when used consecutively. The expansion of the program would double this availability to a total of 6 months so that infant children can stay with their parent or a close family member for the first six months of the child's life.
- (f) A birth mother may take an additional six weeks of leave to recover from childbirth under California's Disability Insurance program, further extending bonding time with her newborn baby.
- (g) This legislation represents an initial step forward by increasing Paid Family Leave for parents to bond with their new child from six weeks to eight weeks, thereby providing families up to one additional month to care for and bond with their newborn or newly adopted child.
- (h) By November 2019, the Administration, through consultation with a task force, will develop a proposal to increase Paid Family Leave duration to a full six months by 2021-22, for parents to care for and bond with their newborn or newly adopted child.

SEC. 1. Section 984 of the Unemployment Insurance Code is amended to read:

984.

- (a) (1) Each worker shall pay worker contributions at the rate determined by the director pursuant to this section with respect to wages, as defined by Sections 926,

927, and 985. On or before October 31 of each calendar year, the director shall prepare a statement, which shall be a public record, declaring the rate of worker contributions for the calendar year and shall notify promptly all employers of employees covered for disability insurance of the rate.

(2) (A) Except as provided in paragraph (3), the rate of worker contributions for calendar year 1987 and for each subsequent calendar year shall be ~~1.45~~ **1.30** times the amount disbursed from the Disability Fund during the 12-month period ending September 30 and immediately preceding the calendar year for which the rate is to be effective, less the amount in the Disability Fund on that September 30, with the resulting figure divided by total wages paid pursuant to Sections 926, 927, and 985 during the same 12-month period, and then rounded to the nearest one-tenth of 1 percent.

(B) The director shall increase the rate of worker contributions by .08 percent for the 2004 and 2005 calendar years to cover the initial cost of family temporary disability insurance benefits provided in Chapter 7 (commencing with Section 3300) of Part 2.

(3) The rate of worker contributions shall not exceed 1.5 percent or be less than 0.1 percent. The rate of worker contributions shall not decrease from the rate in the previous year by more than two-tenths of 1 percent.

(b) Worker contributions required under Sections 708 and 708.5 shall be at a rate determined by the director to reimburse the Disability Fund for unemployment compensation disability benefits paid and estimated to be paid to all employers and self-employed individuals covered by those sections. On or before November 30th of each calendar year, the director shall prepare a statement, which shall be a public record, declaring the rate of contributions for the succeeding calendar year for all employers and self-employed individuals covered under Sections 708 and 708.5 and shall notify promptly the employers and self-employed individuals of the rate. The rate shall be determined by dividing the estimated benefits and administrative costs paid in the prior year by the product of the annual remuneration deemed to have been received under Sections 708 and 708.5 and the estimated number of persons who were covered at any time in the prior year. The resulting rate shall be rounded to the next higher one-hundredth percentage point. The rate may also be reduced or increased by a factor estimated to maintain as nearly as practicable a cumulative zero balance in the funds contributed pursuant to Sections 708 and 708.5. Estimates made pursuant to this subdivision may be made on the basis of statistical sampling, or another method determined by the director.

(c) The director's action in determining a rate under this section shall not constitute an authorized regulation.

(d) (1) Notwithstanding subdivision (a), and except as provided in paragraph (2), the director may, at his or her discretion, increase or decrease, by not to exceed 0.1 percent, the rate of worker contributions determined pursuant to subdivision

(a), up to a maximum worker contribution rate of 1.5 percent, if he or she determines the adjustment is necessary to reimburse the Disability Fund for disability benefits paid or estimated to be paid to individuals covered by this section or to prevent the accumulation of funds in excess of those needed to maintain an adequate fund balance.

(2) Notwithstanding paragraph (1), for the 2004, 2005, and 2006 calendar years, the director may not decrease the rate of worker contributions, regardless of whether the director determines that a decrease is necessary to prevent the accumulation of funds in excess of those needed to maintain the adequacy of the Disability Fund during program implementation.

(e) The amendment to this section shall become operative on July 1, 2019.

SECTION 2. Section 3301 of the Unemployment Insurance Code is amended to read:

3301.

(a) (1) The purpose of this chapter is to establish, within the state disability insurance program, a family temporary disability insurance program. Family temporary disability insurance shall provide up to six weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner, or to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption.

(2) Nothing in this chapter shall be construed to abridge the rights and responsibilities conveyed under the CFRA or pregnancy disability leave.

(b) An individual's "weekly benefit amount" shall be the amount provided in Section 2655. An individual is eligible to receive family temporary disability insurance benefits equal to one-seventh of his or her weekly benefit amount for each full day during which he or she is unable to work due to caring for a seriously ill or injured family member or bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption.

(c) The maximum amount payable to an individual during any disability benefit period for family temporary disability insurance shall be six times his or her "weekly benefit amount," but in no case shall the total amount of benefits payable be more than the total wages paid to the individual during his or her disability base period. If the benefit is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(d) No more than six weeks of family temporary disability insurance benefits shall be paid within any 12-month period.

(e) An individual shall file a claim for family temporary disability insurance benefits not later than the 41st consecutive day following the first compensable day with respect to which the claim is made for benefits, which time shall be extended by

the department upon a showing of good cause. If a first claim is not complete, the claim form shall be returned to the claimant for completion and it shall be completed and returned not later than the 10th consecutive day after the date it was mailed by the department to the claimant, except that such time shall be extended by the department upon a showing of good cause.

(f) This section shall remain in effect only until ~~January~~ **July 1, 2021 2020**, and as of that date is repealed.

(Amended by Stats. 2018, Ch. 849, Sec. 1. (SB 1123) Effective January 1, 2019. Repealed as of January 1, 2021, by its own provisions. See later operative version added by Stats. 2018, Ch. 849.)

SECTION 3. Section 3301 is added to the Unemployment Insurance Code, to read:

3301.

(a) (1) The purpose of this chapter is to establish, within the state disability insurance program, a family temporary disability insurance program. Family temporary disability insurance shall provide up to ~~six~~ **eight** weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner, or to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption.

(2) Nothing in this chapter shall be construed to abridge the rights and responsibilities conveyed under the CFRA or pregnancy disability leave.

(b) An individual's "weekly benefit amount" shall be the amount provided in Section 2655. An individual is eligible to receive family temporary disability insurance benefits equal to one-seventh of his or her weekly benefit amount for each full day during which he or she is unable to work due to caring for a seriously ill or injured family member or bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption.

(c) The maximum amount payable to an individual during any disability benefit period for family temporary disability insurance shall be ~~six~~ **eight** times his or her "weekly benefit amount," but in no case shall the total amount of benefits payable be more than the total wages paid to the individual during his or her disability base period. If the benefit is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(d) No more than ~~six~~ **eight** weeks of family temporary disability insurance benefits shall be paid within any 12-month period.

(e) An individual shall file a claim for family temporary disability insurance benefits not later than the 41st consecutive day following the first compensable day with respect to which the claim is made for benefits, which time shall be extended by

the department upon a showing of good cause. If a first claim is not complete, the claim form shall be returned to the claimant for completion and it shall be completed and returned not later than the 10th consecutive day after the date it was mailed by the department to the claimant, except that such time shall be extended by the department upon a showing of good cause.

(f) This section shall become operative on July 1, 2020 and shall remain in effect only until January 1, 2021, and as of that date is repealed.

(Amended by Stats. 2018, Ch. 849, Sec. 1. (SB 1123) Effective January 1, 2019. Repealed as of January 1, 2021, by its own provisions. See later operative version added by Stats. 2018, Ch. 849.)

SECTION 4. Section 3301 is added to the Unemployment Insurance Code, to read **3301.**

(a) (1) The purpose of this chapter is to establish, within the state disability insurance program, a family temporary disability insurance program. Family temporary disability insurance shall provide up to ~~six~~ **eight** weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner, to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption, or to participate in a qualifying exigency related to the covered active duty or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the Armed Forces of the United States.

(2) Nothing in this chapter shall be construed to abridge the rights and responsibilities conveyed under the CFRA or pregnancy disability leave.

(b) An individual's "weekly benefit amount" shall be the amount provided in Section 2655. An individual is eligible to receive family temporary disability insurance benefits equal to one-seventh of his or her weekly benefit amount for each full day during which he or she is unable to work due to caring for a seriously ill or injured family member, bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption, or participating in a qualifying exigency related to the covered active duty or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the Armed Forces of the United States.

(c) The maximum amount payable to an individual during any disability benefit period for family temporary disability insurance shall be ~~six~~ **eight** times his or her "weekly benefit amount," but in no case shall the total amount of benefits payable be more than the total wages paid to the individual during his or her disability base period. If the benefit is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(d) No more than ~~six~~ **eight** weeks of family temporary disability insurance benefits shall be paid within any 12-month period.

(e) An individual shall file a claim for family temporary disability insurance benefits not later than the 41st consecutive day following the first compensable day with respect to which the claim is made for benefits, which time shall be extended by the department upon a showing of good cause. If a first claim is not complete, the claim form shall be returned to the claimant for completion and it shall be completed and returned not later than the 10th consecutive day after the date it was mailed by the department to the claimant, except that such time shall be extended by the department upon a showing of good cause.

(f) This section shall become operative on January 1, 2021.

SECTION 5.

Notwithstanding any other law, the Director of the Employment Development Department is authorized to enter contracts implementing the requirements of this bill related to the newly enacted provisions of Family Temporary Disability Insurance. These contracts for services shall be exempt from the requirements under Parts 1 and 2 of the Public Contract Code and from Department of General Services review and approval. Furthermore, for purposes of implementing the requirements of this bill related to the newly enacted provisions of Family Temporary Disability Insurance, the Employment Development Department will be exempt from the Project Approval Lifecycle requirements as administered by the California Department of Technology under applicable law, outlined in Section 19 of the Statewide Information Management Manual, and Sections 4819.34 through 4819.39 and 4920 through 4928 of the State Administrative Manual.