Date: December 20, 2019
To: All California Employees
From: Human Resources
RE: Changes to our California Voluntary Plan for 2020

**Legislative Updates**

Beginning January 1, 2018, Assembly Bill 908 establishes a new methodology for calculating the Weekly Benefit Amount (WBA) for Disability Insurance (DI) and Paid Family Leave (PFL) benefits. See the “State Plan Benefit Calculation” for an explanation of how your disability and PFL benefits will be calculated in 2020 when you are receiving benefits equivalent to the State Plan.

*Beginning July 1, 2020, Senate Bill 83 extends the duration of Paid Family Leave Benefits from 6 weeks to 8 weeks in a rolling 12-month period.*

For claims beginning on or after January 1, 2020, The Santa Clara University Voluntary Disability Plan will provide employees benefits equal to 60% or 70% of your weekly earnings, based on your income, up to a maximum weekly benefit of $1,300.

Benefits for Paid Family Leave, which are paid at your State Plan rate, will be paid in an amount equal to 60 or 70 percent of your weekly earnings based on your income. However, the maximum weekly benefit amount will also increase to $1,300. For periods of Paid Family Leave beginning prior to July 1, 2020 benefits will payable for a total of 6 weeks in a rolling 12-month period. *In accordance with Senate Bill 83, for periods of Paid Family Leave beginning on or after July 1, 2020, your PFL benefits will be payable for a total of 8 weeks in a rolling 12-month period.*

Santa Clara University’s 2020 contribution formula of 1.0% of your first $122,909 in calendar year wages is the same amount that you would be required to contribute under the State Plan. For 2020, your maximum annual Plan contribution will be $1,229.09.

You have the right to withdraw from the Plan whenever there is a change made to the Plan. If you decide to withdraw, you must do so in writing. You have 10 days from the date of this announcement to submit your written notification to the Benefits Department. Once you withdraw, you will be covered by the State Plan, on the first day of the quarter following the date of your withdrawal. The State Plan generally pays a lower benefit and has more restrictive provisions than our Voluntary Plan.
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Whenever the calculation of your Disability or Paid Family Leave benefit rate is paid at your State Plan rate or between 60 or 70 percent of your earnings, your weekly benefit amount will be equal to or greater than the State Plan rate as provided in CUIC Section 2655.

Assembly Bill 908 requires that for periods of disability commencing on or after January 1, 2018, but before January 1, 2022, the Voluntary Plan Disability Insurance and Voluntary Plan Paid Family Leave weekly benefit amount will be computed as follows:

If your highest quarterly wages are less than $929, your weekly benefit amount will equal $50.

If your highest quarterly wages are equal or greater than $929 but less than one third of the amount of the State Average Quarterly Wages (Approximately $5,742), your weekly benefit amount will be equal to 70% of your earnings divided by 13.

If your highest quarter wages are equal or greater than one third of the State Average Quarterly Wages (Approximately $5,742), your weekly benefit amount will be the greater of 23.3% of the State Average Weekly Wage ($1,325 for the first quarter of 2020), or 60% of your wages in your highest quarter of your base period divided by 13.

If you have any questions about these changes, please contact your Human Resources Department.