

# FYI<sup>®</sup>

## For Your Information<sup>®</sup>

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## California to expand paid family leave benefits

On June 27, California Governor Gavin Newsom signed a bill into law expanding the maximum duration of paid family leave benefits available to employees under the state-run program from six to eight weeks in 2020. Employers should review their parental and other leave policies to determine the impact of this change on existing benefit programs.

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### Background

The California Paid Family Leave (PFL) program, administered by the California State Disability Insurance (SDI) Program, has provided PFL benefits since 2004 to eligible workers who take time off to care for a seriously ill or injured family member or to bond with a minor child during the first year after birth, adoption, or foster care placement. Originally covering caregiving leave for an employee's child, spouse, parent, or registered domestic partner, PFL eligibility now extends to caregiving leave for siblings, grandparents, grandchildren, and parents-in-law as well. (See our [November 18, 2013 For Your Information.](#))

Funded entirely by employee contributions, the state-run PFL program currently provides partial wage replacement for up to six weeks of leave in any 12-month period for covered workers on caregiving or baby bonding leave. PFL benefits are based on employee earnings, with employees reimbursed for 60 or 70% of earnings (depending on the individual's wage level) up to an established cap.

**Buck comment.** While California was the first state to create a PFL program, six other states have adopted similar programs — Massachusetts, New Jersey, New York, Rhode Island, Washington and, most recently, Connecticut. (See, for example, our [July 2, 2019 For Your Information.](#)) Notably, most of those programs provide for a longer duration of benefits.

PFL leave runs concurrently with leave under the federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA). However, unlike FMLA and CFRA, PFL does not provide job protections or reinstatement rights.

## Expanded PFL benefits

On June 27, 2019, California Governor Gavin Newsom signed into law [Senate Bill 83](#), the Labor and Employment Trailer bill for 2019-20. Among other things, the bill extends the maximum duration of PFL benefits in any 12-month period from six to eight weeks, beginning July 1, 2020. Collectively, the increased benefit will provide families with one additional month — or approximately four months in total — of PFL leave when used consecutively.

Importantly, the new law also calls for the formation of a task force to develop a proposal by November 2019 to extend the duration of PFL benefits for baby bonding leave “to a full six months by 2021-22.” For these purposes, a period of six months (or 24 weeks) would represent the maximum total duration for two parents claiming PFL benefits and using their bonding leave consecutively.

In addition, the law requires the proposal to address:

- Job protections for employees
- Increasing wage replacement rates up to 90% for low-wage workers
- A plan to implement and fund expanded PFL benefits

### San Francisco Paid Parental Leave Ordinance

San Francisco’s Paid Parental Leave Ordinance requires covered employers to pay “supplemental compensation” — the difference between the employee’s gross weekly wage and state PFL benefits, up to a certain cap — to augment covered employees’ income while on baby bonding leave. (See our [May 9, 2016 FYI](#).) The 2019 cap is \$2,087 per week. Whether San Francisco will amend its ordinance in light of the state’s changes remains to be seen.

## In closing

Employers should review their parental and other leave policies to determine the impact of expanded PFL benefits on existing benefit programs and should monitor task force activity with respect to future changes.

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