



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 19-653

Board Meeting Date: 6/25/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Rocio Kiryczun, Director of Human Resources
Lisa Okada, Deputy Director of Human Resources

Subject: Resolution Authorizing Applications for State Disability Insurance for employees in the Management, Attorney and Confidential groups and employees represented by the San Mateo County Council of Engineers

RECOMMENDATION:

Adopt resolutions:

- A) Approving the filing of an application for elective coverage of State Disability Insurance pursuant to California Unemployment Insurance Code section 710.5 for employees in the Management, Attorney and Confidential groups and authorizing the Board President to sign the applications on behalf of the Board; and
- B) Approving the filing of an application for elective coverage of State Disability Insurance pursuant to California Unemployment Insurance Code section 710.5 for employees represented by the San Mateo County Council of Engineers, and authorizing the Board President to sign the applications on behalf of the Board.

BACKGROUND:

The California State Disability Insurance Program (SDI) provides Disability Insurance and Paid Family Leave (PFL) wage replacement benefits to eligible workers who need time away from their jobs. Employees who participate in SDI are eligible to receive partial wage replacement for up to 52 weeks per year for a qualifying disability and up to 6 weeks per year of PFL wage replacement benefits to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner or to bond with a new child entering the family by birth, adoption, or foster care placement.

According to the California Employment Development Department (EDD), approximately 18.7 million California employees participate and pay mandatory contributions to the SDI Program. However, for

County employees, participation in the SDI Program is not mandatory and employee groups must be enrolled in order to participate. Pursuant to Unemployment Insurance Code section 710.5, the Board of Supervisors may elect SDI coverage for unrepresented employees in the Management, Attorney and Confidential groups. In addition, the Board may elect SDI coverage for employees represented by a labor organization pursuant to a negotiated agreement with the County and the labor organization.

The program is funded by deductions from employee wages. The SDI Withholding Rate for 2019 is 1.0 percent. The SDI taxable wage limit is \$118,371 per employee for calendar year 2019; therefore, the maximum withholding per employee is \$1,183.71 for 2019. If the EDD approves the applications, all employees in the Management, Attorney and Confidential groups, and employees represented by San Mateo County Council of Engineers will be enrolled in SDI and eligible for its benefits but will also be required to make contributions.

DISCUSSION:

Until now, employees in the Management, Attorney and Confidential groups and San Mateo County Council of Engineers have not participated in the SDI Program. Instead, these employees have been offered voluntary participation in a private Expanded Short Term Disability (ESTD) policy through The Standard. Similar to SDI, the ESTD policy offered up to 52 weeks per year of partial wage replacement benefits for an employee's qualifying disability leave. However, the ESTD policy did not offer any paid family leave.

As part of a Request for Proposals for Life and Disability benefits, the Benefits Committee sought an ESTD plan that mirrors, or is better than, the CA SDI plan, in particular a benefit with paid family leave. After evaluating six proposals, the RFP Committee determined there were no suitable options that would also provide a viable paid family leave benefit. Paid family leave is an important benefit to the County as it can provide needed wages when employees have to take care of a seriously ill family member or bond with a new child that has just arrived in the home.

As a result, the RFP Committee and Human Resources Department recommends the Board apply for elective coverage in the SDI Program for employees in the Management, Attorney and Confidential groups. Communication and Information Sessions were conducted in May for employees to understand the change in benefits, ask questions and provide feedback.

Also, after San Mateo County Council of Engineers reviewed the results of the RFP, the majority of SMCCE employees voted to move to SDI on Thursday, June 13, 2019. SMCCE and the County then signed a side letter agreement indicating the County would bring the election for SDI for SMCCE employees to the Board for approval and filing with the EDD

The recommendation supports the County's mission to be an employer of choice because new employees with previous SDI coverage can receive benefits as a new hire; streamlines benefits for employees; and creates a culture where employees can take time to bond with their new babies and take care of ill family members.

The resolutions have been reviewed and approved by the County Counsel's Office as to form. These changes contribute to the Shared Vision 2025 outcome of a Collaborative Community by developing and fostering partnerships that promote regional solutions to enhance organizational efficiencies and

effectiveness.

PERFORMANCE MEASURE:

	2019 Actuals	2020 Estimates	2021 Estimates
Percent of County Employees eligible for State Disability Insurance	72%	87%	87%

FISCAL IMPACT:

SDI is funded entirely through employee contributions and there is no fiscal impact to the County.