

### **Purpose**

The purpose of this policy is to provide direction and guidance to all eligible Sacramento County (County) employees regarding the implementation of the State Disability Insurance (SDI) integration plan. The purpose of this plan is to ensure employees who have accrued leave can continue to receive County income when they are unable to work because of childbirth, pregnancy, and other non-work-related illness or injury.

### **Authority**

- Labor agreements negotiated with recognized employee organizations for represented employees.
- Personnel Ordinance, Sections 2.78.745, 2.78.750, 2.78.755, 2.78.765, and 2.78.792 for unrepresented employees.

### **Scope**

This applies to County employees who are eligible for the County's SDI integration plan by a negotiated agreement or the Personnel Ordinance and make contributions to the SDI program.

### **Policy**

It is the policy of the County to offer an SDI integration plan that allows employees the option to use their leave balances to make up the difference between their SDI biweekly benefit and their regular biweekly gross wages. SDI is a wage replacement program administered by the State of California – Employment Development Department (EDD). Regular biweekly gross amounts are still subject to all mandatory and voluntary deductions.

The combined benefits from the integrated leave balances and the SDI benefit amount shall not exceed 100% of the employee's biweekly gross salary. For this reason, the actual amount paid by the County may be slightly less than the computed difference between the SDI benefit and the biweekly gross salary.

### Definitions

*Gross Pay* – Employee's current hourly rate multiplied by the regular number of work hours in one pay period, plus special pay allowances that are considered to be of a permanent nature (including: management differentials and educational incentives). Overtime compensation, standby, night shift differential, call-back time and out-of-class pay are not special pay allowances that are considered to be of a permanent nature.

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*Deductions* - Are subtracted from the gross pay and may be of a mandatory, mandated or voluntary nature. Examples of deductions include Federal and State taxes, garnishments, employee-paid portion of health care premiums, life insurance premiums, and retirement deductions. Once deductions are taken from the gross pay, the remaining balance is what is paid to the employee as net pay.

*Claim Effective Date* – The date substantiated by medical documentation provided by the employee’s physician indicating the date of illness, injury, or inability to work due to pregnancy or childbirth. The claim effective date must match with the County and EDD. If they do not, adjustments to the SDI Integration may be necessary.

*SDI Benefit Amount* – EDD determines a weekly benefit amount based upon quarterly wages earned in the period established by the claim effective date. The SDI benefit amount is paid to the employee by EDD.

### Eligibility for SDI Integration

Employees must:

- Be disabled and unable to return to work due to childbirth, pregnancy, and other non-work-related injury or illness.
- Provide medical substantiation to the County and EDD.
- Have sufficient eligible leave balances available to integrate for a minimum of one complete pay period or be working while on SDI integration.
- File a “Claim for State Disability Insurance (SDI) Benefits” with the EDD requesting SDI benefits.
- Have a County gross pay that is greater than the SDI benefit amount during a biweekly pay period.

If the above eligibility criteria are met, employees may submit a request for SDI integration.

Please see [Instructions for Employees Who Want to File For SDI Integration](#) for more information.

The following do not qualify for integration with SDI benefits:

- Employees who are unable to work due to a work-related injury or illness and are currently collecting temporary disability (TD) workers’ compensation benefits.
- Employees who are receiving Paid Family Leave (PFL) through the EDD.

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### Leave Balances and Accrual

The following types of leave balances can be used to integrate with the employee's SDI benefits. The order in which they must be used is as follows (unless otherwise stipulated in the employee's applicable labor agreement):

- Sick Leave
- Vacation
- Compensating Time Off (CTO)
- Holiday-in-Lieu hours (HIL)

### Number of Hours Needed to Integrate

The biweekly SDI benefit amount is subtracted from the normal County biweekly gross pay to determine the wage loss and number of hours required for integration.

### Working While on SDI Integration

Employees who are medically restricted to a limited number of work hours with or without other work restrictions can also participate in SDI Integration. If an employee does not work the specified number of hours identified on the medical note, the use of other leave balances will be required in accordance with the Miscellaneous Leave Policy #831.

### Accruals and Holiday Pay While on SDI Integration

Employees do not accrue any leave balances or receive holiday pay if they are on SDI Integration for an entire pay period with no hours worked. Leave accruals will be pro-rated based on the number of hours worked in each integrated pay period; holidays are pro-rated based on hours worked only for employees who are working while on SDI integration. Pro-rated leave accruals commonly occur during the pay periods where the integration starts, ends, or when working while on SDI integration. These partial accruals will become available for use once the standard accrual rate is reached or when advanced following the stop of the SDI Integration.

### Service Accruals

Employees will accrue service toward vacation accrual rate changes, annual step increases and pro-rated retirement service credits during any pay period of SDI Integration.

### Effective Date of SDI Integration

The EDD requires a mandatory 7-day waiting period starting from the claim effective date until SDI payments can begin. SDI integration begins when the waiting period ends and a completed SDI integration request form is received by the SDI team at the Department of Personnel Services (DPS).

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Retroactive integration is not permitted. The employee can request to stop integration in future pay periods by providing written notice to the SDI team at the DPS. Integration can only be retroactively removed if an employee has been disqualified by the EDD or the County.

### Payments

SDI integration payments follow the County's biweekly pay period calendar and are issued to the employee following their pre-established payment method. Payments made by EDD are determined by EDD and may not follow the County's biweekly schedule or payment methods.

### Payment Verification

The employee is responsible for providing verification of their EDD payment to the County within three pay periods following the start of their SDI integration. Verification must include the claim effective date and the weekly benefit amount which are found on EDD's form DE2500E. Employees will be removed from SDI integration if they fail to provide payment verification.

### Disqualification, Adjustments, and Overpayments

Disqualification from SDI integration occurs when EDD determines an employee is not eligible for SDI or the employee fails to provide verification of SDI payments. Upon disqualification, full leave balances will be used, if available, to provide normal gross pay for the previously integrated pay periods. Employees are responsible for reporting the removal of SDI integration and wages paid by the County to EDD to prevent overpayment by EDD. An employee may be eligible for integration again in future pay periods providing verification of payment is received and the employee meets the eligibility criteria.

Overpayment may occur if EDD determines that the claim effective date is earlier than the date initially provided to the County or that the EDD weekly benefit amount is higher than the County's calculation. Overpayments will be adjusted in accordance with provisions in the respective labor agreement and Personnel Ordinance and overpaid leave balances will be restored to the employee.

### **Contact**

Department of Personnel Services  
Email: [DPS-SDI-Integration@saccounty.gov](mailto:DPS-SDI-Integration@saccounty.gov)

### **Authorized by**

State Disability Integration, Policy #305

David Villanueva, County Executive

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**Revision History**

Revised:

Established: 04/1984