

*How long can an employee collect State Disability Insurance (SDI)? Will SDI benefits be reduced if an employee collects sick, vacation or Paid Time Off (PTO) pay while on leave? Can an employee collect partial SDI benefits if he/she is able to come back to work only part-time? Will an employee lose SDI benefits if he/she gets laid off during his/her leave?*

Employees going out on medical leaves of absence often will have questions about the California State Disability Insurance program. An employer is not legally obligated to explain SDI benefits other than by providing the mandatory “Disability Insurance Provisions” brochure (Form DE 2515) published by the Employment Development Department (EDD).

It is helpful, however, to have some basic knowledge of SDI in order to help employees get the most out of this benefit.

## **Benefits Duration**

- *How long do SDI benefits last?*

Employees generally can collect benefits for up to 52 weeks with proper medical certification for any type of disability. However, an employee can’t collect more than the amount of wages in his/her base period, which is the period of time before the start of the disability that EDD uses to calculate the weekly benefit amount, so some employees may not be able to collect for the full 52 weeks.

## **Integrating Benefits**

Many types of wages received by an employee during the period of an SDI claim can reduce SDI benefits, such as bonuses, commissions, and holiday pay. The most common types of wages employees may receive while collecting SDI—sick, vacation and Paid Time Off (PTO)—are addressed below.

- *How do sick leave and PTO affect SDI benefits?*

EDD considers both sick leave and PTO to be wages, so both can reduce SDI benefits. This means that an employee collecting SDI can receive sick and PTO wages that will bring him/her up to 100% of his/her normal weekly income, but not more.

For example, an employee who normally earns \$1,000 a week might collect \$600 in SDI benefits. The employee could collect no more than \$400 per week from his/her sick or PTO bank without having the SDI benefit reduced.

- *How does vacation pay affect SDI benefits?*

EDD does not consider pure vacation pay to be wages, and thus vacation does not affect SDI benefits. An employee may collect a full week's vacation pay on top of whatever weekly SDI benefit he/she is receiving.

## **Part-Time Return to Work**

An employee who is disabled and collecting SDI benefits may be permitted by his/her health care provider to return to work part-time. In that case the employee still may be able to receive full or partial SDI benefits depending on the amount of his/her wage loss.

For example, a full-time employee who normally earned \$1,000 per week, and who was collecting \$600 a week in SDI is able to return to work 18 hours per week and therefore earn \$450. EDD will calculate a wage loss of \$550 per week (\$1,000 minus \$450), and therefore reduce the SDI benefit from \$600 to \$550.

## **Termination While Collecting SDI**

SDI benefits usually are not affected by a termination, layoff or voluntary quit so long as the employee remains disabled and meets EDD's usual eligibility criteria.