## SB 951

Paid Family Leave and State Disability Insurance Benefits

> Increases the wage replacement rate to 90% for California's lowest-wage workers

Updates California's wage replacement policy to make Paid Family Leave more accessible

With the passing of SB 951, the share of workers' wages paid by the State Disability

Insurance (SDI) and Paid Family Leave (PFL) program will **increase from 60 to 90 percent for those in lower-wage jobs** (earning roughly \$57k per year or less). **Effective January 1, 2025, SB 951 will make Paid Family Leave programs more accessible for Californians** who need to take paid time off from work to recover from serious illness, care for their seriously ill family members or bond with a new child without jeopardizing their economic security.

With the current low replacement rates of 60-70%, most low-wage workers are unable to afford to participate in PFL despite paying into the program through deductions from their paychecks. Furthermore, low wage workers who are disproportionately people of color have been subsidizing the paid family leave benefits of higher earners.

This bill was presented to the CA4EJ coalition by the Small Business Majority as an economic justice initiative that improves an existing social safety net for low-wage workers, reduces economic security and directly impacts women workers and workers in low-wage industries

In 2002, California adopted the nation's first comprehensive paid family leave program. Twenty years later, SB 951 restores California's leadership in workers' rights by updating its Paid Family Leave program with a rate that is more reflective of California workers' needs.

## **Additional Resources:**

- For Workers
  - <u>FAQs Paid Family Leave Eligibility (ca.gov):</u> <u>https://edd.ca.gov/en/disability/faq\_pfl\_eligibility/</u>
  - Work & Family (legalaidatwork.org): https://legalaidatwork.org/our-programs/work-and-family-program/
- For Employers
  - <u>CA.gov's PFL Eligibility FAQ's for Employers:</u> <u>https://edd.ca.gov/en/disability/faqs-employers-eligibility-benefits/</u>
  - <u>Small Business Majority's PFL Overview:</u> <u>https://smallbusinessmajority.org/resources/california-s-paid-family-leave-p</u> <u>rogram</u>