

Information Concerning Elective Coverage for State Disability
Insurance Only and Paid Family Leave
Under Section 709 of the California Unemployment Insurance Code

Coverage under section 709 of the [California Unemployment Insurance Code \(CUIC\)](http://leginfo.legislature.ca.gov/faces/codes.xhtml) (leginfo.legislature.ca.gov/faces/codes.xhtml) does not make provision for Unemployment Insurance (UI) benefits.

1. Summary of Section 709 of the CUIC

Section 709 of the CUIC provides that any local public entity located in this state specified in section 135 (a) (3) of the CUIC or Indian Tribe specified in section 135 (a) (6) of the CUIC, may elect to become an employer for State Disability Insurance (SDI) purposes only, with respect to **all** its employees, including those with civil service or tenure positions, or appointed positions and may file its written election with the director. Elected officials and individuals appointed to fill a vacant elected office until the next election are not eligible for coverage.

Section 135 (a) (3) of the CUIC states that public entity also means the governing board of any school district, any county board of education, any county superintendent of schools, or any personnel commission of a school district which has a merit system pursuant to any provision of the [Education Code](http://leginfo.legislature.ca.gov/faces/codes.xhtml) (leginfo.legislature.ca.gov/faces/codes.xhtml).

2. Election for Coverage Under Section 709

An election under section 709 may be made on its own motion by the appropriate governing board of the entity making the election or may be made by such governing board pursuant to a petition signed by a majority of employees (including those with civil service or tenure positions, or appointive positions). Coverage must be elected for at least **two complete calendar years**. The director may ask from each entity any information or reports necessary to carry out their duty. They may also publish information pursuant to this section in statistical form and show the name of the entity. Each entity must keep work records as decided by the EDD.

3. Extent of Coverage

Coverage may be approved for all present and future employees of the local public entity or Indian Tribe.

Persons who are not considered employees eligible for the coverage under section 709 of the CUIC are those elected to office of the public entity by popular vote or appointed to fill a vacant elected office until the next election.

4. Election of Coverage

An application for elective coverage is filed by a local public entity or Indian Tribe on an [Application for Elective Coverage of State Disability Insurance Only – Local Public Entities and Indian Tribes \(DE 1378M\) \(PDF\)](http://edd.ca.gov/siteassets/files/pdf_pub_ctr/de1378m.pdf) (edd.ca.gov/siteassets/files/pdf_pub_ctr/de1378m.pdf), which is given by the Employment Development Department (EDD). The electing entity agrees to remain a covered employer for not less than **two complete calendar years**. Coverage may be terminated at the end of the two-calendar-year period or at the end of any calendar year thereafter by giving the EDD a written notification by January 31 of the next year.

5. Cost of Coverage

Employee contributions for SDI are needed at the rate established for each year. On or before October 31 of each year, the EDD will notify all employers of the SDI rate for the next year.

Employee contributions are exclusively to finance the SDI program. Deductions for employee contributions are to be made at the time wages to are paid.

6. Quarterly Reports Needed

Wages are reported on the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C). Contributions are sent using a *Payroll Tax Deposit* (DE 88).

7. Posting of Notices to Employees

Every employer shall post and maintain a printed *Notice to Employees Elective Coverage Application for State Disability Insurance* (DE 1375C) of such election or application on the premises. Individual employees shall be given two reasonable opportunities to file an objection or to be heard in the matter prior to the EDD's approval of election.

8. Benefit Eligibility

The EDD determines eligibility for SDI benefits pursuant to requirements of the CUIIC and authorized regulations. Eligibility is dependent on several factors including, but not limited to:

- Proof of the customer's eligibility.
- Filing of a timely claim for benefits.
- Enough wages in the base period.

For more benefit information and an explanation of base period wages, see [Disability Insurance Provisions \(DE 2515\) \(PDF\)](http://edd.ca.gov/siteassets/files/pdf_pub_ctr/de2515.pdf) (edd.ca.gov/siteassets/files/pdf_pub_ctr/de2515.pdf).

For more information, contact:

Employment Development Department
Analysis Resolution and Correspondence Organization
PO Box 2068
Rancho Cordova, CA 95741-2068
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The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids, or alternate formats need to be made by calling 1-888-745-3886 (voice) or TTY 1-800-547-9565.

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