



# San Francisco Paid Parental Leave Ordinance: Effective Jan. 1 2017

## Benefit overview for employees who work in San Francisco not covered under Paid Family Leave

### What is the SF Paid Parental Leave Ordinance?

The Paid Parental Leave Ordinance (PPLO) requires Covered Employers to provide partial wage replacement (Supplemental Compensation) to employees taking up to six (6) weeks of leave to bond with a new child under the California Paid Family Leave (CA PFL) program. As of 2017, California's Paid Family Leave (CA PFL) program provides 55% wage replacement for up to 6 weeks of leave to bond with a new child. This Supplemental Compensation is available only to employees who are eligible for and receiving CA PFL benefits for new child bonding.

### When does it take effect?

January 1, 2017

### Who is eligible under the PPLO?

A Covered Employee is an employee who is not covered under PG&E's Paid Family Leave policy:

1. who began employment with the Covered Employer at least 180 days prior to the start of the leave period;
2. who performs at least eight hours of work per week for the employer in San Francisco;
3. at least 40% of whose total weekly hours worked for the employer are in San Francisco; and
4. who is eligible to receive paid family leave compensation under the CA PFL law for the purpose of bonding with a new child.

### I am eligible for the PG&E Paid Family Leave Wage Continuation benefit, does the PPLO apply to me?

No. The PG&E PFL policy offers a greater benefit amount (100% PFL Wage Continuation without a cap), duration (8 weeks) and eligibility criteria (at time of hire) than that of the SF PPLO. Information on the PG&E PFL benefit can be found on the [Leave of Absence](#) section of [www.mypgebenefits.com](http://www.mypgebenefits.com).

Note: in the coming months, this document will be updated

### What's the Supplemental Compensation?

The PPLO requires Covered Employers to provide employees with Supplemental Compensation in an amount such that the employee's CA PFL benefit plus the Supplemental Compensation equals 100% of the employee's gross weekly wage. Based on the current 55% wage replacement rate under State law, the ordinance requires employers to pay the remaining 45% of the employee's weekly wages during the 6-week leave period

### Is there a maximum weekly benefit amount of Supplemental Compensation?

Yes. The CA PFL program places a cap on the weekly benefit amount for higher-earning workers. An employer's Supplemental Contribution obligation under the ordinance is proportionally capped to the State maximum weekly benefit amount. If the State's maximum increases, then the proportional Supplemental amount will increase as well.

#### Example:

Using the 2016 State rates, an employer's maximum weekly Supplemental Compensation amount under the ordinance would be \$924 per week. The State's current maximum weekly benefit amount (\$1,129) is 55% of \$2,053. Therefore, the Supplemental compensation cap 45% of \$2,053 is \$924.

Using the 2017 State rates, an employee's maximum weekly Supplemental Compensation amount under the ordinance would be \$924 per week. The State's current maximum weekly benefit amount (\$1,173) is 55% of \$2,133. Therefore, the Supplemental compensation cap 45% of \$2,133 is \$960.

### Does this mean I no longer have to apply for leave through Sedgwick?

No. The PPLO provides supplemental benefits while you are on a leave of absence and receiving CA PFL benefits. Receipt of CA PFL and PPLO benefits do not create a right to take leave or offer job protection for your leave. Therefore, you are still required to request your leave through Sedgwick, PG&E's leave of absence and disability administrator. More information on the process for Parental Leaves ([Birth Parent](#) and [Non-Birth Parent](#)) can be found on [www.mypgebenefits.com](http://www.mypgebenefits.com).

### Do I need to take my leave all at one time?

No. You may break up the leave periods to bond with your new child pursuant to the minimum leave duration requirements for bonding leaves under federal, state and company leave provisions.

For example, under the Family and Medical Leave Act (FMLA), California Family Rights Act (CFRA), you are eligible to take leave in two (2) week periods to bond with a new child.



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Receipt of CA PFL and Supplemental Compensation run concurrently with and do not extend the maximum leave period available under the FMLA, CFRA or company leave.

## Can I use Family Sick Leave (beyond the 1 week waiting period for CA PFL) and then receive Supplemental Compensation?

No. If you have greater than 40 hours of Family Sick Leave available to you, they are not eligible to be used past the first week of your parental leave.

## What are the requirements for receiving the Supplemental Compensation?

1. Covered Employees must complete and submit to their employers the San Francisco Paid Parental Leave Form ("PPL Form") in order to receive Supplemental Compensation under the PPLO. This form is available on the OLSE website at [www.sfgov.org/pplo](http://www.sfgov.org/pplo).
  - a. The PPL Form includes a requirement that the employee agree, by signing in Step 2 of the PPL Form, to reimburse the full amount of Supplemental Compensation received from any Covered Employer(s) if the employee voluntarily separates from employment with the Covered Employer(s) within 90 days of the end of the Employee's CA PFL leave period and if the Employer Requests such reimbursement in writing.
  - b. Employees shall promptly submit the San Francisco Paid Parental Leave Form to the Covered Employer(s) following the employee's receipt of the Notice of Computation.
2. Under the PPLO, in order to receive Supplemental Compensation, an employee must either:
  - a) **Option 1:** provide the employer with a copy of the "Notice of Computation" from the California Employee Development Department (EDD); or
  - b) **Option 2:** provide EDD with permission to share the employee's CA PFL weekly benefit amount with their employer. **Delay in receipt of Supplemental Compensation related to the use of Option 2 is not considered a violation of the PPLO.**

To use **Option 1**, the employee must:

1. Provide the Notice of Computation to his/her employer(s) as soon as it is received; **and**
2. Notify his/her employer(s) when s/he receives the first CA PFL payment from EDD.

If an employee chooses **Option 2**, the employee and employer must comply with the following procedures:

- a) On the EDD form titled "Claim for Paid Family Leave (PFL) Benefits," the employee must check "YES" for the question that asks, "May we disclose benefit payment information to your employer(s)?"
- b) The employee must affirmatively notify the employer(s) that s/he has granted such permission to EDD. EDD does not and will not notify the employer. The employee may provide such notice to the employer by checking the appropriate box on Section 1 of the OLSE Paid Parental Leave Form.
- c) After the employer receives notice from the employee that s/he has used Option 2 – either because the employee notified the employer and/or because the employee checked the box on the OLSE Paid Parental Leave Form -- the employer shall contact EDD by phone or by mail to obtain the employee's CA PFL weekly benefit amount.

## When do I receive payment once I've satisfied the requirements for Supplemental Compensation?

1. **For employees who satisfy the requirements prior to or during their CA PFL period:** the employer shall make a good faith effort to make the first Supplemental Compensation payment on the payday for the next full (weekly or biweekly or semi-monthly) pay period following the employee's satisfaction of all the preconditions for Supplemental Compensation. Thereafter, the employer shall make a good faith effort to make subsequent payments in accordance with the employer's regular pay schedule. In no case shall the employer pay the total Supplemental Compensation amount later than thirty 30 days after the last day of the employee's CA PFL period.
2. **For employees who satisfy the requirements after their CA PFL period has concluded:** the employer shall pay the total Supplemental Compensation no later than 60 days after the Covered Employee satisfies the preconditions for Supplemental Compensation.

## Where can I find more information?

Additional information about the SF PPLO can be found [here](#).