SWERDLOW FLORENCE
SANCHEZ SWERDLOW & WIMMER
a law corporation

9401 Wilshire Blvd., Suite 828, Beverly Hills, CA 90212 · (310)201-4700 · Fax:(310)273-8680
www.swerdlowlaw.com

September 27, 2002

Governor Davis Signs First-In-Nation Paid Family Leave Bill

On September 23, 2002, California Governor Gray Davis signed Senate Bill 1661, making California the first state in the nation to enact a law providing employees with paid family leave. The law, which does not go into effect until January 1, 2004, allows virtually any worker in California to receive up to six weeks of partial wage replacement within any 12-month period, beginning on July 1, 2004, for periods in which they are unable to work because they must care for a seriously ill child, spouse, parent, or domestic partner, or to bond with a new child.

The new law expands the state's existing disability insurance program to enable eligible employees to receive 55% of their wages, up to a maximum payment of $728 per week, during six weeks of their family leave, which under current state and federal laws are not paid. Employees can receive partial wage replacement only after a waiting period of seven consecutive days during which no benefits are payable. The law, however, allows employers to require employees to use up to two weeks of earned but unused vacation time before they can receive these new benefits. The program will be funded entirely by employee contributions through payroll deductions, averaging about $27 per year and ranging up to $70 per year for those earning more than $70,000 annually. Although all California employers are required to comply with the law's requirements to provide employees with notice of the benefits (on forms provided by the state), only businesses with 50 or more employees are required to hold open a job for a worker who chooses to take a paid family leave.

We encourage you to call your SFSSW attorney at (310) 201-4700 to discuss this recently-signed Bill and its impact on your Company's operations.