## Updated Rates for California EDD Benefits and San Francisco Paid Family Leave Ordinance

Article By:

Cepideh Roufougar

Rose Marie Plato

The California Employment Development Department (EDD) has released the Voluntary Plan Employee Contribution and Benefit Rates for 2022.

Employers with employees located in California are generally required to withhold and send state disability contributions to the EDD. The 2022 rates are as follows:

"Employee Contribution Rate"	1.10%
"Taxable Wage Ceiling" (per employee per	\$145,600.00
year)	
"Maximum Contribution" (per employee per	\$1,601.60
year)	
"Maximum Weekly Benefit Amount" (WBA)	\$1,540.00
"Maximum Benefit Amount" (WBA X 52	\$80,080.00
weeks)	
"Assessment Rate" (this figure is the product	0.168%
obtained by multiplying the worker contribution	1
rate by 14% or 1.25 X 14%)	

The Employee Contribution Rate is the percentage withheld from the wages of employees who are covered by Disability Insurance (DI) and Paid Family Leave (PFL). For 2022, the EDD decreased the Employee Contribution Rate by 0.10% from the 2021 rate of 1.20%. The Taxable Wage Ceiling is the maximum yearly wage, per employee, that is subject to DI and PFL withholding. The Maximum Contribution is the maximum amount withheld from the yearly wages of an employee who is covered by state disability and who annually earns an amount equal to or exceeding the Taxable Wage Ceiling.

The change in contribution rates and the Maximum Weekly Benefit Amount are relevant to employers who must comply with San Francisco's <u>Paid Parental Leave Ordinance</u> (PPLO). The city of San Francisco requires most employers with 20 or more employees worldwide to supplement PFL benefits received by employees to bond with a new child. During the PFL leave period, the PPLO

supplemental compensation provided by an employer, added to the PFL wage replacement benefit received from the EDD, must equal 100% of the employee's gross weekly wage, subject to a cap. For 2022, the PPLO cap will be \$2,567 per week.

The Assessment Rate is relevant to employers that maintain a state-approved voluntary plan (VP), which is a disability insurance plan that an employer can offer to its California employees as a legal alternative to mandatory DI and PFL. The Assessment Rate is the amount that an employer pays to the EDD as an administrative expense for maintaining a voluntary plan.

The EDD also released an updated Overview of California's Paid Family Leave Program.

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