March 14th, 2022

The Honorable Dave Cortese
Chair, Senate Labor, Public Employment and Retirement Committee
1021 O Street Room 6740
Sacramento, CA 95814

CC: The Honorable Maria Elena Durazo

RE: SB 951 (Durazo) - OPPOSE unless Amended

Chair Cortese,

We write on behalf of the California Alliance for Retired Americans (CARA) to oppose SB 951 unless it is amended. CARA is California’s largest grassroots advocacy organization for seniors and adults with disabilities, representing over 1 million members through our 300+ affiliated organizations. Disability rights and Disability Insurance are extremely important issues to our organization and the people we represent.

Although we strongly support the primary thrust of the bill to eliminate the sunset on the present State Disability Insurance (SDI) and Paid Family Leave (PFL) benefit structure, we are very concerned about the new benefit structure proposed by SB 951.

The bill would bifurcate the current unitary benefit structure which replaces 70% of a low wage worker’s earnings and 60% of all other workers’ earnings for the duration of their claims irrespective of whether they are receiving SDI or PFL benefits. SB 951 when it is finally implemented would give higher wage replacement rates to both the SDI and PFL beneficiaries: 90% for low wage workers and 70% for higher paid workers, but would limit the higher replacement rates for all SDI beneficiaries to 16 weeks after which they would drop to 60% for both low and high wage beneficiaries.

This benefit reduction would be extremely harmful to the thousands of SDI beneficiaries, who because of their injuries or illnesses are unable to return to work within 16 weeks (the maximum duration for SDI claims is 52 weeks). The reduction would come at a time when any beneficiary who did not have savings would need the higher benefit amount more than ever.

SDI beneficiaries make up about 70% of the combined number of beneficiaries of both the SDL and PFL programs. Unlike PFL beneficiaries, SDI beneficiaries are, by definition, unable to work.

We view this feature of the bill as a grave injustice to disabled workers whom the SDI program, now in its 75th year of delivering benefits, was designed to support. While we strongly support the PFL program (many of our members have benefitted from the care it enabled their sons, daughters and other close relatives to give them) and would support an increase in the current maximum duration (8 weeks) of PFL benefits, we cannot support the bifurcation of benefit amounts.

CARA/ 1675 7th St. PO Box 23754/ Oakland, CA 94623/ 510-662-4086/ www.californiaalliance.org
We hope to discuss our concerns with the author before the committee hearing to resolve our concerns but for now we must respectfully ask for a NO vote on SB 951.

Sincerely,

Hene Kelly
Chair, Legislative Committee
California Alliance for Retired Americans (CARA)

Keith Umemoto
Co-Chair, Legislative Committee
California Alliance for Retired Americans (CARA)