



Self-insuring
California State Disability Insurance
(SDI)

About SDI

- California employees must participate
- Employee pays for it
- The cost is the same for every worker in the State
- CA law permits companies to create their own plan replacing SDI

Chart I: SDI Cost & Benefit History



Year	Employee Contribution Rate	Taxable Wage Base	Maximum Contribution	Maximum Weekly Benefit
1999	0.50%	\$31,767	\$158.84	\$336
2000	0.50%	\$46,327	\$231.64	\$490
4/1/2000	0.70%	\$46,327	\$324.29	\$490
2001	0.90%	\$46,327	\$416.94	\$490
2002	0.90%	\$46,327	\$416.94	\$490
2003	0.90%	\$56,916	\$512.24	\$602
2004	1.18%	\$68,829	\$812.18	\$602
2005	1.08%	\$79,418	\$857.71	\$840
2006	0.80%	\$79,418	\$635.34	\$840
2007	0.60%	\$83,389	\$500.33	\$882
2008	0.80%	\$86,698	\$693.58	\$917
2009	1.10%	\$90,669	\$997.36	\$959
2010	1.10%	\$93,316	\$1,026.48	\$987

The average SDI contribution rate over the last 10 years is 0.9%

Why Self-Insure CA SDI

- Employer has the option to reduce the employee cost
- Employer can increase the weekly benefit
- Increasing the benefit results in payroll savings to the employer
- No cost to the employer

Requirements of a Voluntary Plan

- ✓ Employees must approve
- ✓ Plan must be “secured”
- ✓ Plan cannot charge employees more than SDI
- ✓ The Plan must pay at least what SDI would pay
- ✓ Employees can choose not to participate
- ✓ Plan assets belong to the participants

Who Should Self-Insure SDI?

- Ideal prospect would be
 - 500 or more California employees
 - Employees who work in managerial, technical or administrative jobs
 - High average salary
 - At least 50% male
 - Majority of employees under age 50

Contact Information

Jack Larkin

Vice President

The Larkin Company

jlarkin@thelarkincompany.com

www.thelarkincompany.com