

LEGISLATIVE DIGEST

[Police Code - Paid Parental Leave Ordinance]

Ordinance amending the Police Code to make technical amendments to the Paid Parental Leave Ordinance consistent with its original intent.

Existing Law

The Paid Parental Leave Ordinance (Police Code Article 33H) requires, as of January 1, 2017, San Francisco employers with 50 or more employees to provide partial (45%) wage replacement (“Supplemental Compensation”) to employees taking leave to bond with a new child under the California Paid Family Leave program. On July 1, 2017, the ordinance’s Supplemental Compensation requirement will expand to San Francisco employers with 35 or more employees, and on January 1, 2018, to employers with 20 or more employees.

Amendments to Current Law

The ordinance would make the following technical amendments to the Paid Parental Leave Ordinance consistent with its original intent:

- Update the legislative findings to reflect a recently enacted change in the State’s Paid Family Leave law which will increase the wage replacement rate under the State law starting January 1, 2018 from 55% to 60% for higher income workers, and to 70% for lower income workers. This change in State law will have the effect of reducing Covered Employers’ Supplemental Compensation obligation to 40% and 30% of weekly wages respectively.
- Clarify that a Covered Employer’s obligation to pay Supplemental Compensation coincides with the period during which the employee actually receives Paid Family Leave wage benefits from the State, which may not necessarily coincide with the employee’s six-week leave period because employees may apply for such benefits after their leave has already commenced, and/or the State may delay in issuing payments.
- Clarify that periods of unpaid leave – in addition to paid – shall not be counted when calculating an employee’s average weekly hours for purposes of determining the employee’s eligibility as a “Covered Employee.”
- Clarify that periods of partially paid leave – in addition to unpaid leave – shall not be counted when calculating an employee’s average weekly earnings.
- Clarify that the time when Covered Employees should give the State permission to share their Paid Family Leave weekly benefit information with their employer is when they file their application with the State, and that Employers must in turn affirmatively request such weekly benefit information from the State.

Background Information

The Board of Supervisors approved the Paid Parental Leave Ordinance on April 12, 2016 (Ordinance No. 54-16). That ordinance becomes operative on January 1, 2017. The proposed ordinance contains non-substantive amendments designed to more accurately reflect how the State administers California Paid Family Leave benefits.

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