Subject: Non-Industrial Disability Insurance (NDI)

Department: Payroll Services
Division: Administration & Finance
References: Technical Letter HR/NDI 6300 97-01
Web Links: NDI Administrative Guide

Full time, permanent or probationary employees, who are members of the Public Employees' Retirement System (PERS) or State Teachers' Retirement System (STRS) and who are in compensated employment, are eligible to apply for non-industrial disability (NDI) benefits when disabled from work due to illness or physical injury which is not work related. Part time employees who are members of PERS or STRS may be eligible if they are appointed half time or more for one year of service or one academic year or more.

Benefits

Benefits may vary according to compensation level and/or collective bargaining unit. The maximum weekly benefit is $250.00 for employees in Bargaining Units 2, 5, 7, 9, the Management Personnel Plan and Confidential. The maximum weekly benefit is $125.00 for employees in Bargaining Units 3,4,6 & 8 and $135.00 for Bargaining Unit 1.

Filing a Claim

A claim form, #DE 8501, must be obtained from the Payroll Services Office and submitted to the Employment Development Department via the employee's attending physician.

The Payroll Services Office completes the upper half of the claim statement. The employee completes the lower half of the claim statement and submits it to the attending physician. All sick leave must be exhausted prior to commencement of NDI benefits. Should employees also wish to exhaust accrued vacation, authorization must be received from the supervisor/director. (See collective bargaining agreement for specific information regarding use of vacation). The attending physician completes the "Doctor's Certificate" on the reverse side of the form. The physician submits the form directly to the Employment Development Department (EDD) for determination of benefits.

Payment Process

The Employment Development Department determines the period of eligibility and authorizes claims. Once the Payroll Services Office receives authorization, the request for payment is made to the State Controller. Payment is then prepared on a monthly basis through the Payroll Office and distributed by the individual department.

Employees may request that the Payroll Office send the payment directly to their home address.

Waiting Period

The waiting period varies according to employment status and/or collective bargaining unit. Generally the waiting period is seven calendar days. The waiting period or any unserved portion may be waived if hospitalization is required.

Continuation of Employee Benefits

Voluntary deductions for employee benefits plans including health/dental/vision insurance, credit union, parking fees, etc. will be automatically deducted from the NDI benefits. However, employees may cancel voluntary deductions if desired. If benefit plans are continued, the employer contribution and employee contribution, if any, will also continue. The Internal Revenue Service has ruled that NDI benefits are taxable wags, and as a result, state and federal taxes and Social Security contributions will be withheld. Employees will not earn retirement service credit and retirement contributions will not be deducted from NDI benefits. NDI payments are not affected by other disability or wage loss insurance.
Appeal Rights

Employees may appeal NDI determinations in writing and obtain a hearing before an administrative law judge by informing the NDI office or any EDD office.

FORMS: NA