

# SAN FRANCISCO PAID PARENTAL LEAVE ORDINANCE FACT SHEET

**Effective, January 1, 2017, the San Francisco Paid Parental Leave Ordinance (PPLO) requires covered employers to provide Supplemental Compensation to eligible employees who are receiving Paid Family Leave (PFL) benefits to bond with a newborn, adopted or foster child. Employers must pay the difference between the employee's PFL benefit amount and his or her normal gross weekly wages for up to six weeks.**

## **Covered Employers**

As of January 1, 2017, the PPLO covers employers with 50 or more employees. The ordinance will cover employers with 35 or more employees as of July 1, 2017, and employers with 20 or more employees as of January 1, 2018. The requisite number of employees need not be employed in San Francisco but can perform work worldwide Government entities are not covered employers.

## **Covered Employees**

Employees are eligible for Supplemental Compensation under the PPLO if they commenced work at least 180 days before leave for their employer, they work at least 8 hours per week and at least 40% of their hours in San Francisco, and they apply for and receive Paid Family Leave benefits to bond with a newborn, adopted or foster child. Government employees are not covered.

## **Employers' Supplemental Compensation Obligation**

The California Paid Family Leave (PFL) program provides 6 weeks of partial wage replacement benefits to eligible workers who are bonding with a newborn, adopted or foster child. Workers apply for benefits through the California Employment Development Department (EDD) and receive up to 55% of their weekly wages. In 2018, the benefit amount will increase to 60 or 70%, depending on income. Under the San Francisco Paid Parental Leave Ordinance, covered employers must pay covered employees the difference between their Paid Family Leave benefit amount and their normal gross weekly wages for up to 6 weeks. PFL benefits are currently capped at \$1,173 per week based on annual wages of about \$110,900. An employer need not provide Supplemental Compensation that, together with PFL benefits, would exceed the PPLO cap. Thus, for an employee who receives the maximum PFL benefit of \$1,173 per week, an employer's Supplemental Compensation obligation under the PPLO will be capped at \$960 per week. Employers may, however, pay more than the ordinance requires and fully compensate a high earning employee.

## **How to Apply for Supplemental Compensation**

To request Supplemental Compensation, an employee should 1) apply for California Paid Family Leave to bond with a new child; 2) complete and submit to each covered employer a Paid Parental Leave Form, available on the Office of Labor Standards Enforcement website; 3) provide the

employer(s) the Employment Development Department (EDD) Notice of Computation showing the Paid Family Leave weekly benefit amount; and 4) if requested, provide the employer(s) with the Employment Development Department (EDD) Notice of Payment (also known as the Electronic Payment Notification).

### **How to Calculate Supplemental Compensation**

To calculate the Supplemental Compensation amount, subtract the employee's Paid Family Leave benefit amount from his/her normal gross weekly wages. The PFL benefit amount can be found on the Employment Development Department Notice of Computation. To determine the employee's normal gross weekly wages, use the amount for the week immediately preceding the Paid Family Leave period (or, for birth mothers, the amount for the week immediately preceding pregnancy disability leave). If an employee's wages fluctuate, determine the normal gross weekly wages using the PPLO Lookback Period: six bi-weekly or semi-monthly, or 12 weekly pay periods preceding the start of the employee's bonding leave (or, for birth mothers, the period immediately preceding pregnancy disability leave). For more detailed instructions, including variations when an employee earns tips or has multiple employers, see the [Calculation Instructions](#) on the Office of Labor Standards Enforcement website.

### **Employer Notice Requirements**

Covered employers must post the required PPLO [poster](#) in every workplace and job site. Additionally, if an employer has a handbook that describes other personal or parental leaves, it must include the PPLO in its next edition of the handbook. Employers also must give an employee a copy of the [Paid Parental Leave Form](#) within a reasonable time after the employee tells the employer s/he is expecting a new child, or sooner, if the employee inquires about parental leave. Employers must provide notice in languages other than English if more than 5 percent of the workforce speaks another language.

### **Retaliation Prohibited**

The PPLO prohibits an employer from retaliating against an employee for exercising rights under the ordinance, and from denying, restraining or interfering with rights under the ordinance. If an employer terminates an employee during the leave period, the employer still must provide Supplemental Compensation for the remainder of the Paid Family Leave period. Additionally, if an employer terminates an employee before the leave begins but within 90 days of an employee's giving notice of her intent to apply for Paid Family Leave, the employer must pay the Supplemental Compensation unless it can prove by clear and convincing evidence that it took the action solely for a reason other than avoiding its obligations under the PPLO.

*This document is not intended as a comprehensive recitation of the San Francisco Paid Parental Leave Ordinance, Article 33 H of the San Francisco Police Code, but rather summarizes its key features. The ordinance and related materials are available at [www.sfgov.org/pplo](http://www.sfgov.org/pplo). If you have questions about your rights or obligations under the law, please call 415-554-4190 or email [pplo@sfgov.org](mailto:pplo@sfgov.org).*