

Frequently Asked Questions for San Francisco Paid Parental Leave Ordinance (SF PPLO)

General Questions:

1. What is the San Francisco Paid Parental Leave Ordinance (SF PPLO)?

The San Francisco Paid Parental Leave Ordinance (SF PPLO) works on top of California’s existing Paid Family Leave (PFL) law. It requires employers who have employees working in San Francisco to provide “Supplemental Compensation” to an employee who is receiving California PFL benefits to bond with a new child, so that the employee receives up to 100% of their normal weekly wages during 8 weeks of parental leave.

NOTE: There are **two different** parental leave benefit laws that employees may access: (1) the California Paid Family Leave (PFL) program, paid by the State of California’s Employment Development Department (EDD); and (2) the San Francisco Paid Parental Leave Ordinance (PPLO), paid by Covered Employers. **In order to receive the SF PPLO benefits, an employee will have to apply for both the CA PFL benefits (through EDD) and the SF PPLO benefits (by submitting the documentation to the employee’s employer).**

2. How does the state law (CA PFL) and the city law (SF PPLO) work together?

The California Paid Family Leave (PFL) law applies throughout the state and provides eligible employees with up to 60% or 70% of their weekly wages for up to 8 weeks to bond with a newborn, newly adopted, or foster child within one year of the child’s birth or placement in the home. Under the SF PPLO, firms with 20+ employees are required to provide employees receiving state PFL specifically for new child bonding with “Supplemental Compensation” (i.e. the difference between the employee’s PFL benefit amount and the employee’s normal gross weekly wages to make the employee whole at 100% of their weekly wages). This is subject to a weekly maximum benefit amount of \$2,167 for up to 8 weeks.

3. When did SF PPLO go into effect?

The San Francisco Paid Parental Leave Ordinance took effect on January 1, 2017 and gradually covered smaller firms by 2018. for San Francisco employers with 50 or more employees; on July 1, 2017 for employers with 35 or more employees; and on January 1, 2018 for employers with 20 or more employees.

4. Which employers must comply?

Companies that employ 20 or more must comply with SF PPLO. This includes employers located outside of San Francisco, but who have employees who work in San Francisco. *Government employers are not covered.*

If any number of employees work in San Francisco, then the employer must comply with SF PPLO.

If your workforce fluctuates from week to week, you must comply with SF PPLO. If the average number of employees that you employ during the PPLO “lookback period” reaches at least 20.

5. What is the SF PPLO “Lookback Period”?

The PPLO Lookback Period is the three-monthly pay periods, six bi-weekly or semi-monthly pay periods, or 12 weekly pay periods preceding the first day of an employee’s California Paid Family Leave (PFL) benefits period or preceding the first day of any increment of intermittent state PFL leave. The PPLO Lookback Period does not include any pay periods during which the employee was on unpaid or partially paid leave, including pregnancy disability leave for parents giving birth (see examples below).

Example: For a new parent transitioning from pregnancy disability leave to Paid Family Leave and PPLO for bonding, the lookback period is the 12 weeks prior to the start of their pregnancy disability leave.

For more information on calculating employer size for employers with a fluctuating workforce, please see Rule 2 in the Rules Implementing the Paid Parental Leave Ordinance, which can be found [here](#).

6. Which employees are covered?

Only employees who meet **ALL** of the following requirements are covered under the SF PPLO and are entitled to receive Supplemental Compensation from their employer(s):

- Commenced work for your covered employer(s) at least 180 days before start of state PFL payment period
- Work at least 8 hours per week for your covered employer(s)
- Work in San Francisco for at least 40% of your weekly hours for your covered employer(s)
- Apply for and receive California Paid Family Leave (PFL) benefits from the State Employment Development Department (EDD)
- Seasonal, permanent or temporary, full-time or part-time, contracted or otherwise

Government employees are not covered.

7. How does an employee apply?

An employee must complete multiple steps to receive SF Paid Parental Leave from the employer.

Step 1: Apply for EDD Paid Family Leave

Apply for PFL through the Employment Development Department (EDD) online at www.californiapaidfamilyleave.com or with a [paper application](#). If you do not have a driver’s license or ID, use a paper application.

Check box A22, allowing EDD to disclose your benefit amount to your employer.

Step 2: Complete SF Paid Parental leave Form (SF PPL Form)

Ask your employer for the form. You can also find it online at www.sfgov.org/pplo. If you have multiple employers, complete a form for each employer.

Step 3: Give Employer SF PPL Form and EDD Notice of Computation

The EDD will send you a Notice of Computation that includes your weekly benefit amount. If you were paid State Disability Insurance (SDI) before PFL, use the Notice of Computation the EDD sent you for your SDI claim.

Step 4: Notify Employer When You Receive First PFL Payment

Your employer may ask for your Notice of Payment or Electronic Benefit Payment Notification.

Please contact the Office of Labor Standards Enforcement at pplo@sfgov.org or at (415) 554-4190 with any further questions or online at www.sfgov.org/pplo.

8. How does an employer verify an employee’s eligibility for California Paid Family Leave Benefits?

OLSE recommends that employees provide their employer(s) with their Notice of Computation from the State EDD. The Notice of Computation will show the employee’s weekly benefit amount under the CA PFL program. However, this form does not confirm an employee’s eligibility for benefits. Therefore, an employer may ask an employee to notify the employer that they have received benefits or may request that employees provide them with their Electronic Benefit Payment (EBP) Notification (DE 2500E) which explains that the employee will be receiving benefits via the EBP card. This notification is also known as a “Notice of Payment.”

9. How much Supplemental Compensation does an employer have to pay an employee under the SF Paid Parental Leave law?

The employer must provide Supplemental Compensation in for the amount that comprises the difference between the employee’s normal weekly wage and the State PFL benefit amount, up to a cap. Please see detailed instructions [here](#) or visit www.sfgov.org/olse/paid-parental-leave-calculations. If an employee has one employer, their wages have not changed in the last 18 months, and they earn less than the cap, then EDD will pay approximately 60 or 70% of her weekly wages, and their employer will pay the remainder, so that the employee receives 100% of their weekly wages for the 8 weeks of leave.

Benefits available under State PFL program are currently capped at \$1,300 per week, which is 60% of \$2,167 per week. An employer is not required to provide Supplemental Compensation that exceeds the state cap on PFL benefits. For an employee who receives the **maximum** State PFL benefit of \$1,300 per week, an employer’s Supplemental Compensation obligation under SF PPLO will be capped at **\$867 per week**, which is 40% of \$2,167 per week.

10. Can an employer apply an employee’s accrued, unused vacation or sick time toward covering the cost of the required Supplemental Compensation under the SF PPLO?

An employer may apply up to two (2) weeks of an employee's accrued, unused vacation time to cover the cost of the required Supplemental Compensation. **Employers are not required to apply PTO.**

Additionally, an employer can require an employee to take up to two weeks of accrued but unused vacation leave prior to applying for and receiving State PFL benefits. These two weeks do not count toward the employer's obligation to supplement pay for 8 weeks.

An employer may not use an employee's unused sick time to cover the cost of the Supplemental Compensation.

11. When can an employer use the employee's PTO to satisfy the employer's Supplemental Compensation obligation?

For employers with 10 or more employees, the employer can use the employee's accrued PTO in excess of 72 hours.

Example 1. An employer with 20 employees has a PTO policy that complies with Section 12W.3(e). An employee has accrued 72 hours of PTO. The employee need not agree to allow the employer to apply any PTO to satisfy the employer's Supplemental Compensation obligation.

Example 2. Same facts as in Example #1, except that the employee has accrued 82 hours of PTO. The employee must agree to allow the employer to apply up to 10 hours of PTO to satisfy the employer's Supplemental Compensation obligation.

Example 3. Same facts as in Example #1, except that the employee has accrued 160 hours of PTO. The employee must agree to allow the employer to apply up to 80 hours of PTO to satisfy the employer's Supplemental Compensation obligation.

12. Does an employee have to take the 8 weeks of benefits under Paid Family Leave and SF PPLO all at once, or can they spread the benefits out over a longer period of time?

An employee does not have to take the 8 weeks of benefits all at once. Under CA PFL, the eight weeks of benefits may be taken during eight consecutive weeks, or may be spread out over up to a 12-month period from the first day of the leave (referred to as "intermittent leave"). The eight weeks must be completed by the time a newborn baby turns 1 or within the first year of an adopted or foster child's placement in the home. An employer may put restrictions on how the 8 weeks can be divided up, so talk to your employer about intermittent leave. An employee should inform the EDD and their employer of their schedule for intermittent leave.