Payroll Error for the December 2020 Pay Period

Employee Contributions for State Disability Insurance

Employees participating in the State Disability Insurance Program were over paid for the December 2020 pay period.

The Employment Development Department recently published the new 2021 State Disability Insurance rates. The withholding rate increased from 1.0% to 1.20% of eligible earnings. The annual taxable wage limit increased to $128,298.00 per employee with a maximum contribution of $1,539.58. These changes were effective beginning with payments issued on January 1, 2021.

The overpayment is due to the State Controller’s Office under withholding the employee contribution by .2%. The amount of under withholding is individual and approximately between $5 and no more then $30. The State Controller’s Office and the California Department of Human Resources are reviewing options for repayment, and more information will follow from your human resources offices.

For specific information regarding your deduction amount, please contact your Departmental Human Resources Office.

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