

# NONINDUSTRIAL DISABILITY INSURANCE (NDI) – REFERENCES

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The following reference information is provided to assist personnel staff with answers to various questions typical to the situations they will encounter when processing Nonindustrial Disability Insurance. Please keep in mind that rules, regulations and policies (including bargaining unit contracts) are subject to change and may affect or modify the information provided.

## CONTACTS

SCO Customer Contact Center  
916/372-7200

California Department of Human Resources  
Personnel Services Branch  
916/323-3343  
[psb@CalHR.ca.gov](mailto:psb@CalHR.ca.gov)

## REFERENCES

**California Code of Regulations (CCR)** [Section](#)

[599.752 Annual Leave Program Section](#)

[599.753 Annual Leave Enrollment](#)

[Sections 599.770 – 599.778 Nonindustrial Disability Leave](#)

[Sections 599.776 Nonindustrial Disability – Annual Leave Section](#)

[321 Extension of Probationary Periods](#)

**California Department of Human Resources (CalHR) HR Manual**

[Section 1411](#)

[Section 2102](#)

**Government Codes (GC)**

[Sections 19858-3 – 19859-7 – Annual Leave](#)

[Sections 19878 – 19885 – Nonindustrial Disability Leave](#)

**Unemployment Insurance Codes**

[2627](#), [2628](#), [2629](#), [2629.1](#), [2629.5](#) - general provisions/additional benefits

**Payroll Procedures Manual (PPM)**

[Section E – Disability](#)

E 001 – E 009

E 100 – E 114 – Nonindustrial Disability Insurance

**[Personnel Action Manual \(PAM\)](#)**

Pages: 2.34 – 2.37.lb; 2.44; 2.60; 2.76 – 2.77; 2.79 – 2.79.3; 2.86; 2.89 – 2.90; 2.137; 2.144 – 2.146.1; 3.42 – 3.43; 3.136 – 3.137; 3.152 – 3.153; 3.230 – 3.233; 3.240 – 3.241; 3.246 – 3.247; 5.29 – 5.32.1

**State Controller's Office Payroll and Personnel Letters**

[19-010](#) [Revised: Nonindustrial Disability Insurance – Family Care Leave](#)

[97-009](#) [Nonindustrial Disability Annual Leave Supplementation](#)

[97-005](#) [Nonindustrial Disability Insurance for Employees](#)

96-013 Leave Accounting Letter: Leave Transactions for Disability

96-008 Disability Payroll Processing

Workers' Compensation and Nonindustrial Disability Insurance Related Issues

## Nonindustrial Disability Insurance – Family Care Leave (NDI-FCL)

Please see references listed in [CalHR HR Manual online – Section 1411](#)

## Nonindustrial Disability Insurance – Personal Leave Program (PLP 2020)

Please see references listed in [CalHR HR Manual online – Section 1411](#) and [SCO Personnel Letter #20-012](#)

<b>GENERAL NDI ELIGIBILITY</b>	
NDI is a benefit for employees who become disabled due to a non-work related injury or illness.	<ul style="list-style-type: none"> <li>■ PPM E 100</li> <li>■ CalHR Manual 1411</li> </ul>
CALHR has overall program responsibility for the Nonindustrial Disability Insurance (NDI) program for civil service employees.	<ul style="list-style-type: none"> <li>■ PPM E 100</li> <li>■ CalHR Manual 1411</li> </ul>
EDD has administrative responsibility for the Nonindustrial Disability Insurance Program.	<ul style="list-style-type: none"> <li>■ PPM E 100</li> </ul>
NDI applies only to employees in compensated employment ( <i>the employee must be on pay status, returned to work, or on paid leave – E.g. vacation, sick, CTO, etc.</i> )	<ul style="list-style-type: none"> <li>■ PPM E 101</li> <li>■ GC 19878</li> </ul>
NDI Eligibility - All permanent or probationary full time state officers/employees, regardless of period of service, who are members of PERS/STRS.	<ul style="list-style-type: none"> <li>■ PPM E 101</li> <li>■ CalHR Manual 1411</li> <li>■ GC 19878</li> </ul>
All part time and permanent intermittent state officers/employees must have six monthly compensated pay periods of service within the 18 months immediately preceding the pay period in which the disability begins whether or not the employee is a member of PERS/STRS. Intermittent employees must have a total of 960 hours, except Bargaining Unit 18 who need 1008 hours. Hours include all hours paid on an hour for hour basis, (i.e. overtime hours paid at straight time).	<ul style="list-style-type: none"> <li>■ PPM E 101</li> <li>■ CalHR Manual 1411</li> <li>■ GC 19878</li> </ul>
Permanent intermittent employees (including those on probationary status) are eligible for NDI. Payments shall be determined on the basis of the proportionate part of a monthly rate established by the total hours actually paid in the 18 monthly pay periods immediately preceding the pay period in which the disability began.	<ul style="list-style-type: none"> <li>■ PPM E 108</li> <li>■ CalHR Manual 1411</li> </ul>
If the employment period preceding the disability is less than 18 months, to find the average number of hours agencies always divide by 18 months.	<ul style="list-style-type: none"> <li>■ PPM E 108</li> </ul>

## ELIGIBILITY FOR BENEFITS

<p>To qualify for NDI pay, non-annual leave employees must serve a waiting period of:</p> <p>a. 7 calendar days for BUs 5 and 6 rank and file employees</p> <p>b. 10 calendar days for all other rank and file employees (CCR 599.770 superseded by bargaining unit contracts (check MOUs))</p>	<ul style="list-style-type: none"> <li>■ PPM E 102</li> <li>■ CCR 599.770</li> </ul>
<p>The waiting period for all employees (rank and file, non-represented, annual leave or non-annual leave) is waived if the employee is confined in a hospital or nursing home at least one day, or requires treatment in a hospital surgical unit or surgical clinic.</p>	<ul style="list-style-type: none"> <li>■ PPM E 102</li> <li>■ GC 19880</li> </ul>
<p>To qualify for NDI pay excluded employees (Annual Leave &amp; Non-Annual Leave) must serve a waiting period of 7 calendar days.</p>	<ul style="list-style-type: none"> <li>■ PPM E 103</li> </ul>
<p>To qualify for NDI pay, Annual Leave employees must serve a waiting period of 7 calendar days.</p>	<ul style="list-style-type: none"> <li>■ PPM E 102/E 103</li> <li>■ GC 19880</li> </ul>
<p>All rank and file employees, other than BU 6 (check MOUs) who elect to use leave credits PRIOR to receiving NDI benefits, are NOT required to exhaust that leave balance.</p>	<ul style="list-style-type: none"> <li>■ PPM E 102</li> <li>■ GC 19879.1</li> </ul>
<p>An employee is <i>not</i> eligible for NDI benefits for any day on or after death, separation, leave of absence, or retirement from state service.</p>	<ul style="list-style-type: none"> <li>■ PPM E 102</li> <li>■ CalHR Manual 1411</li> </ul>
<p>For all employees: if the employee elects to use vacation, sick leave, etc. while on NDI, that leave must be exhausted completely before resuming NDI benefits (<i>providing the claim has not expired.</i>)</p>	<ul style="list-style-type: none"> <li>■ PPM E 102</li> <li>■ CalHR Manual 1411</li> </ul>
<p>An employee is not eligible for NDI benefits with respect to any period for which an employee has received or is entitled to receive Unemployment Compensation benefits.</p>	<ul style="list-style-type: none"> <li>■ PPM E 102</li> </ul>
<p>While on NDI, employees will not continue to accrue sick leave and vacation.</p>	<ul style="list-style-type: none"> <li>■ GC 19883</li> </ul>
<p>Employees who enroll in the Annual Leave Program while on NDI leave shall continue to receive the current level of benefits for their prior (CBID) throughout the disability period.</p>	<ul style="list-style-type: none"> <li>■ CCR 599.776</li> <li>■ CalHR Manual 1411</li> </ul>
<p>Annual Leave employees may continue to accrue Annual Leave credits while receiving NDI benefits, if supplemented.</p>	<ul style="list-style-type: none"> <li>■ GC 19883</li> </ul>
<p>It is possible for employees to receive Temporary Disability benefits (with no supplementation) in addition to NDI for the same dates.</p>	<ul style="list-style-type: none"> <li>■ GC 19882(c)</li> <li>■ PPM E 102</li> </ul>

## NDI BENEFITS

For the purpose of administering the NDI benefit program, the 26-week benefit eligibility period shall be equivalent to 182 calendar days.	<ul style="list-style-type: none"> <li>■ PPM E 103</li> <li>■ CCR 599.771</li> </ul>
NDI benefits are computed based on the employee's salary rate at the inception of the benefit and are not altered by any subsequent salary increases or decreases.	<ul style="list-style-type: none"> <li>■ PPM E 103</li> <li>■ CCR 599.772</li> </ul>
If there is sufficient NDI gross, all miscellaneous deductions (including flexible benefit deductions) will be withheld unless canceled by the employee.	<ul style="list-style-type: none"> <li>■ PPM E 107</li> <li>■ GC 19883</li> </ul>
<p>The following items <i>are not deducted</i> from NDI payments: Retirement; Survivors</p> <p>The following items <i>are deducted</i> from NDI payments:</p> <p>Federal/State Income Tax; Social Security/Medicare; Voluntary Child Support; Deferred Compensation; Tax Shelter Annuity; Miscellaneous Voluntary Deduction</p>	<ul style="list-style-type: none"> <li>■ PPM E 009</li> </ul>
<p>The following garnishment/levies are exempt from NDI payments:</p> <ul style="list-style-type: none"> <li>- Federal Tax Levy</li> <li>- State Tax Levy</li> <li>- Earnings Withholding Order</li> <li>- Board of Equalization</li> <li>- Unemployment Insurance</li> </ul>	<ul style="list-style-type: none"> <li>■ Payroll Letter 97-009</li> </ul>
<p>No retirement contributions or survivors' benefits will be withheld, nor will state contributions be made from the NDI benefit.</p> <p>NOTE: Retirement contributions or survivors benefits will be withheld from regular and supplementation pay while on NDI.</p>	<ul style="list-style-type: none"> <li>■ PPM E 107</li> </ul>
For the period that the employee is on NDI status only, he/she will not receive PERS/STRS service credit.	<ul style="list-style-type: none"> <li>■ GC 19883</li> </ul>
Employees may work while on NDI and receive benefits for the same dates, as long as their NDI benefits plus their regular pay does not exceed 100% of their gross pay for the pay period.	<ul style="list-style-type: none"> <li>■ PPM E 105</li> </ul>
<p>A nonindustrial disability benefit level of 50 percent of gross pay shall be provided to employees who elect annual leave.</p> <p>All employees on Annual Leave NDI (ENDI) may elect to supplement their ENDI benefit to either a rate of 75 percent or 100 percent income replacement at the time they file the ENDI claim.</p>	<ul style="list-style-type: none"> <li>■ CCR 599.776</li> <li>■ CCR 599.776</li> <li>■ CalHR Manual 1411</li> </ul>

## NDI BENEFITS

When the NDI benefit period includes a holiday and the employee is receiving no regular pay for the benefit period, the holiday is paid as NDI.	■ PPM E 106
All Employees (annual leave or vacation/sick) who are working while on NDI are entitled to regular pay for the holiday (based on time base appointment) in addition to NDI as long as he/she works some hours during the NDI benefit period.	■ PPM E 106
Employees who elect Supplementation at 75% or 100% shall receive (regular pay) full credit based on time base appointment and NDI compensation for the holiday.	■ PPM E 106
NDI benefits are identified as payment type "T".	■ PPM E 100
<p>With the exception of bargaining unit (BU) 5 employees, once a claim for ENDI has been filed and the employee has elected the rate of supplementation, the supplemental rate must be maintained throughout the disability period. If an employee is unable to maintain the level of supplementation they have elected, the employee will receive only the NDI benefit with NO supplementation. BU 5 employees may elect to change their supplementation rate one time during the period of the claim (check bargaining unit contract.)</p> <p>Note: All employees on Annual Leave NDI (ENDI) who are supplementing leave credits to the 75% or 100% rate are paid the supplementation at the salary in effect in the month it is being paid.</p> <p>Example: Employee is injured and goes on Annual Leave NDI (ENDI) in August 2019. Salary rate is \$3000.00. Employee's ENDI rate at 50% will be based on \$3000.00 for the remainder of the claim.</p> <p>Employee elected 100% Supplementation and in September had a range change to \$3140.00. Supplementation would be based on the salary of \$3140.00.</p>	<ul style="list-style-type: none"><li>■ PPM E 103</li><li>■ CCR 599.776.1</li><li>■ CalHR Manual 1411</li></ul>

## RETURN TO WORK/WORKING WHILE ON NDI

<p>Employees receiving NDI benefits may, at the department's discretion and upon receiving medical certification, return to partial work as long as the NDI benefits plus the partial payment does not exceed 100% of the employee's regular pay.</p>	<ul style="list-style-type: none"><li>■ <b>GC 19879.1 (b) (5)</b></li></ul>
<p>When the employee works while receiving NDI benefits and the combined pay exceeds 100% of the employee's regular pay, reduce NDI pay by the amount exceeding 100%.</p>	<ul style="list-style-type: none"><li>■ <b>PPM E 114</b></li></ul>
<p>Partial days worked are not counted as full days for probationary period requirements.</p>	<ul style="list-style-type: none"><li>■ <b>CCR 321</b></li></ul>
<p>Excluded and represented employees who supplement their ENDI benefits at the 75 percent level shall receive state service and annual leave credits at one-half the rate granted to those who supplement at 100 percent (<i>½ seniority service credit and accruals and ¼ retirement credit.</i>)</p>	<ul style="list-style-type: none"><li>■ <b>CalHR Manual 1411</b></li><li>■ <b>PPM E 107</b></li></ul>
<p>Employees on Item 957 Code 22 status will receive a full month payroll master warrant unless a form STD. 603 is processed before cutoff to reduce time to be paid or a PAR 715 transaction for a disqualifying pay period is processed.</p>	<ul style="list-style-type: none"><li>■ <b>PPM E 105</b></li></ul>
<p>When an employee is unable to return to work or has exhausted their NDI benefit, the appointing power may do any of the actions provided by GC 19253.5 or CCR 599.775:</p> <ul style="list-style-type: none"><li>■ Demote for medical reasons</li><li>■ Grant leave of absence for up to one year</li><li>■ Terminate for medical reasons</li><li>■ Return employee to former position</li><li>■ Transfer employee to another position</li><li>■ Place on temporary leave not to exceed 30 calendar days</li></ul>	<ul style="list-style-type: none"><li>■ <b>CCR 599.775</b></li><li>■ <b>GC 19253.5</b></li><li>■ <b>PAM section 3 (R/C S54 transaction)</b></li></ul>