Background

Starting January 1, 2025, people who need time off from work to bond with a new baby, care for a sick loved one, because of their health, or for certain needs when a family member is deployed, can receive up to 90% of their regular income while they are unable to work. This is because starting in 2025, California's Paid Family Leave (PFL) and State Disability Insurance (SDI) Benefits will increase to 90% of regular wages for low to middle income workers (up from 60-70%). This change will mean that millions of California workers - those earning up to roughly $60,000 per year - will now be able to afford to take leave when they need it to bond with a new baby or to care for their own or a family member's serious health condition.

California's Paid Family Leave (PFL) and State Disability Insurance (SDI) programs are designed to ensure that all Californians are able to care for themselves and their loved ones without losing their entire income. PFL provides up to 8 weeks of income when a worker is unable to work because they are caring for a seriously ill or injured family member, bonding with a new child, or for certain needs when a family member is deployed SDI provides up to 52 weeks of income when a worker is unable to work due to an injury or illness, including pregnancy, that prevents them from working.

PFL and SDI cover approximately 18.7 million workers across the state. These programs are entirely employee-funded through a payroll contribution into the SDI Fund. In 2024, employee contributions are 1.1% of their wages, meaning workers invest 1.1% of their income into these programs so that they can rely on them when they need leave.

However, prior to January 1, 2025, many workers could not afford to take time off from work because PFL and SDI benefits only paid 60% of their regular earnings. This means Californians were paying into these programs but workers who could not afford a 40% pay cut were unable to use them. Workers earning low wages in California are disproportionately women, immigrants, identify as Black or Latinx, and are increasingly adults older than 55 years old.

Starting January 1, 2025 California's Paid Family Leave (PFL) and State Disability Insurance (SDI) Benefits will pay workers 90% of regular wages for those making up to about $60,000 per year. Higher wage workers will receive 70% of their normal income up to a cap. This change will mean that millions of California workers will be able to afford to take leave from work when they need it for their own or a family member's serious health condition or to bond with a new baby.