

## **State Mandated Disability Insurance**

There are five states that require employers to provide short-term disability insurance for all employees who WORK in those states. Each state's definition of a qualifying employee varies depending on criteria such as the location where the employee works the majority of the time, whether your company is a for-profit or not-for-profit organization or if the employee is actually classified as an independent contractor. If you have questions regarding the definition of an "employee" in any of the states discussed, please contact that state (contact information is included). A list of the applicable states, plus some basic information surrounding the state mandated disability insurance, follows:

### **1. California**

- In order to comply with the California state mandate, there are two main options for providing coverage:
  - 1) Utilize the California State Disability Insurance (SDI) plan – this plan is funded through employer/employee contributions.
  - 2) Implement a Voluntary Plan – a voluntary plan is a private plan, which must be approved by the Director of the Employment Development Department, which may be substituted for the State Plan.
- For further information, contact:

Employment Development Department  
Disability Insurance Branch, MIC 29  
P.O. Box 826880  
Sacramento, CA 94280  
(800) 480-3287

### **2. Hawaii**

- In order to comply with the Hawaii state disability mandate, employers must purchase disability insurance from an authorized insurance carrier.
- For further information and/or a list of authorized carriers, contact:

Department of Labor and Industrial Relations  
Princess Keelikolani Building  
830 Punchbowl Street #211  
Honolulu, HI 96813  
(808) 586-9161

### **3. New Jersey**

- In order to comply with the New Jersey Temporary Disability Benefits Law, there are two main options for providing coverage:
  - 1) Utilize the New Jersey State plan – funded through employer/employee contributions
  - 2) Implement a private plan – plan must be approved by the New Jersey Department of Labor and Workforce Development office. You may purchase short-term disability insurance plans through approved insurance carriers.
- For further information, contact:

Department of Labor & Workforce Development  
Division of Temporary Disability Insurance  
P.O. Box 957  
Trenton, NJ 08625-0957  
(609) 292-7060

#### 4. New York

- In order to comply with the New York state disability mandate, there are two main options for providing coverage:
  - 1) Purchase a private policy – policy may be purchased through any insurance carrier authorized to write Disability Benefits Insurance in the state of New York.
  - 2) Implement a self-insured plan – plan must be approved by the Workers' Compensation Board.
- For further information, contact:

Workers' Compensation Board  
Disability Benefits Bureau  
100 Broadway – Menands  
Albany, NY 12241-0005  
(518) 402-0247

#### 5. Rhode Island

- In order to comply with Rhode Island's disability mandate, employers must participate in the state Temporary Disability Insurance plan. This plan is funded through employer/employee contributions.
- For further information, contact:

RI Department of Labor and Training  
Temporary Disability Insurance Division  
1511 Pontiac Avenue  
Cranston, RI 02920

If your company has employees who WORK in one of the states listed above and you are not sure whether or not you are required to provide them with Disability Insurance, please contact our office. If you already provide disability insurance to your employees, our experience has been that disability insurance carriers, once notified of your employee(s) in one of the five states, can easily handle the situation. We just need to make sure proper reporting to the state is accomplished. If you do not offer disability insurance, alternative plans should be discussed.

For those of you who are members of The Conestoga Group's **Client Community**, you can research further by accessing the *Research Center* under the *Resources* section of the **Client Community** homepage. Once in the *Research Center*, you will want to go to either the *State Resources Center* or the *Mandated Benefits* section within the *Employee Benefits* section. If you are interested in setting up a time to view an online demonstration of The Conestoga Group's **Client Community**, please contact Christine Kniple in our office at 610-889-9500 x107 or [christine.kniple@conestoga.biz](mailto:christine.kniple@conestoga.biz).

*The Conestoga Group is an insurance, investment and employee benefits broker and consulting firm based in Frazer, PA. Conestoga specializes in providing financial products and services to small businesses and their owner/executives and other employees. Founder and President Brad Palmer is an Investment Advisory Representative of Commonwealth Financial Network-a registered investment advisor and member firm of the NASD/SIPC. Brad can be reached at 610-889-9500 extension 101 or at [brad.palmer@conestoga.biz](mailto:brad.palmer@conestoga.biz).*

#### NOTICE

These legislative descriptions are our interpretations of information provided to us by various legal and other resources as of 7/12/05. It is possible the information was presented incorrectly or that we have misunderstood the presentation. The purpose of this communication is to provide you with basic summary information on the subject matter and assist you in determining whether or not you may need to seek further legal or other assistance. This communication should not be construed as legal, tax, investment, or other advice and does not take into consideration any specific factors that may be unique to the reader's situation.