



OFFICE OF THE GOVERNOR

SEP 28 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 123 without my signature.

This bill revises formulas for determining benefits under the State Disability Insurance (SDI) program, which includes Disability Insurance (DI) and Paid Family Leave (PFL) programs, beginning January 1, 2023.

My Administration has been a strong advocate for expanding access to DI and PFL programs, and I am proud of the progress we have made in collaboration with the Legislature. In 2019, I signed SB 83 (Chapter 24) which extended the maximum duration of paid family leave benefits from 6 to 8 weeks and AB 406 (Chapter 386) which required PFL applications to be provided in multiple languages. Last year, I signed SB 1383 (Chapter 86) which provided job-protected leave to employees working for employers with five or more employees. This year, I signed AB 138 (Chapter 78) which extended increased wage replacement rates to 2023.

This bill would create significant new costs not included in the 2021 Budget Act and would result in higher disability contributions paid by employees. I look forward to continued partnership with the Legislature to ensure that workers have true access to programs providing family leave.

Sincerely,

Gavin Newsom

