

SAM—PAYROLLS

WORKERS' COMPENSATION INSURANCE

DISABILITY PAYMENTS

8536

(Revised 12/13)

The purpose of this Section is to provide some background on job-related disability payments and to prescribe accounting procedures relating to Temporary Disability (TD) checks issued by the State Compensation Insurance Fund ([State Fund](#)). For instructions concerning the payroll process relating to Temporary Disability Compensation and Industrial Leave, see Sections E300 and E400 of the State Controller's Payroll Procedures Manual ([PPM](#)).

Most departments are legally uninsured and participate in the Master Agreement with State Fund; only about 30 departments actually purchase an insurance policy from State Fund. State Fund processes disability claims for all State departments.

Additionally, State Fund issues all TD checks which are sent directly to the claimant. TD benefits are paid when an employee is not eligible for or has exhausted their eligibility for Industrial Disability ([IDL](#)) or Enhanced Industrial Disability Leave ([EIDL](#)), or 4800/4800.5 time. If a claimant receives TD and the employing organization is self-insured State Fund will bill the employing organization for the compensation payment and associated administrative costs. If the organization is insured, it is entitled to the service and support without charge.

When a claimant receives IDL, State Fund will send the department a Notification of Approval indicating periods of disability accepted as work related. This can be done via a Form 3290 or via email. Once the department receives approval they document and key a Miscellaneous Payroll/Leave Actions form ([STD 671](#)) into SCO's PIP Miscellaneous Detail screen. See Sections E006 and E007 of the [State Controller's PPM](#) for exceptions and form completion instructions.

Government Code Section [19863](#) prohibits payment in excess of an employee's full salary. If at any time the amount of the temporary disability payment plus the amount of salary paid to the employee exceeds the employee's regular full salary, the excess amount must be recovered by the employing organization from the employee.