



NOTICE TO CALIFORNIA EMPLOYEES REGARDING DISABILITY COVERAGE

FROM: People Resources
DATE: December 18, 2013
SUBJECT: Changes To Employee Short Term Disability Coverage

Effective January 1, 2013, The State of California approved a Voluntary Disability Insurance Plan (VDI) allowing employees of Adobe Systems Incorporated the option of disability coverage under the VDI Plan, or under the state-administered California State Disability Insurance (SDI) plan.

Changes have been made to the SDI and VDI Plans that you need to be aware of:

- Effective January 1, 2014 the SDI tax rate will remain at 1.0% of your taxable wages; the maximum annual taxable wage is increasing to \$101,636.00, which increases the maximum annual contribution to \$1,016.36. The maximum weekly benefit is increasing to \$1,075.00.
- The VDI contributions will continue to match the SDI rates: 1.0% of the first \$101,636.00 of earnings, which is a maximum contribution of \$1,016.36 per year.
- Effective July 1, 2014 the Paid Family Leave (PFL) provision of both the SDI and VDI plans is changing. PFL currently provides benefits for employees who need to take unpaid time off work to care for a “seriously ill family member”. Currently, “family member” means a child, spouse, parent or domestic partner.
- **Effective July 1, 2014 the definition of “family member” for PFL benefits under SDI and VDI will include a grandparent, grandchild, sibling or parent-in-law**, as well as the current definition of child, spouse, parent or domestic partner.*
- As required by the State of California the VDI Plan continues to provide benefits “equal to the State Plan in every respect and must be better than the State Plan in at least one plan feature.” Providing the STD benefit in the VDI Plan satisfies that requirement.
- The State of California requires that we provide you with the opportunity to reject or terminate coverage under the VDI Plan, by notifying the employer, in writing, of your decision within ten (10) days following the effective date of any amendment to the Plan. In addition, employees may change their election between the VDI and SDI plans at any time; such change will become effective the first of the next quarter following the new election. You can find the VDI Opt-Out Form on the Adobe Benefits Enrollment Site under Documentation Forms and Notices. If you need assistance call (408)536-4357 or email adobebenefits@conduent.com.

**PLF benefits under SDI and VDI do not provide job protection or return right. Those rights are accorded in compliance the federal Medical Leave Act (FMLA) and the California Family Right Act (CFRA). Contact Liberty Mutual, Adobe’s leave administrator, with any questions about eligibility for leave or to request a leave at 1-800-459-3772.*

December 2013