



To: All California Employees of Kelly Services, Inc.

From: Tracy Kercher
Manager, Health, and Welfare HR

Date: December 20, 2021

Subject: California Voluntary Disability Plan Benefits
Effective January 1, 2022

State SDI

Effective **January 1, 2022**, the State Disability Insurance Plan tax rate **will** decrease to 1.1% and the taxable wage base **will increase to \$145,600** of an employee's annual earnings. The maximum annual deduction **will increase to \$1,601.60**. The State Disability Insurance Plan maximum weekly benefit **will increase to \$1,540**.

As you are aware, all of our California employees are covered by our improved Self-Insured California Voluntary Disability Plan, which is a State, approved replacement for your participation in the State Plan. Effective January 1, 2022 the following provisions will take affect for our improved Self-Insured California Voluntary Disability Plan:

Contribution Rate:

The contribution rate for our improved Voluntary Disability Plan will be **1.1%** of the first **\$145,600** of your annual earnings. This is a maximum annual contribution of **\$1,601.60**.

Maximum Benefit:

The Kelly Service Voluntary Plans will provide:

Benefit Class 1 - "Temporary" Employees:

The amount of weekly benefit for which a Benefit Class 1 Employee is covered under the Plan will be either sixty (60%): For individuals who earn one-third or more of the state's Average Quarterly Wage or Seventy Percent (70%): For individuals who earned less than one-third of the state's Average Quarterly Wage of Wage or Regular Wages earned in the highest preceding "Base Period" quarter (see Section XIII.A), subject to a maximum weekly benefit of \$1,540 and a minimum weekly benefit of fifty (\$50.00) dollars

Benefit Class 2 - "Regular Part-Time" or "Regular Full-Time" Employees

The amount of weekly benefit for which a Benefit Class 2 Employee is covered under the Plan will be sixty (60%) of Wages or Regular Wages earned in the highest preceding "Base Period" quarter (see Section XI.A), with no maximum weekly benefit and a minimum weekly benefit of fifty (\$50.00) dollars.

Benefit Class 3 - "Regular Part-Time" or "Regular Full-Time" Employees Who Have Purchased the Employer's Optional Disability Coverage: Benefit Class 3

The amount of weekly benefit for which a Benefit Class 3 Employee is covered under the Plan will be one-hundred (100%) percent of the Employee's Net Pay for the first twenty six (26) weeks of Disability,

subject to a minimum weekly benefit of fifty (\$50.00) dollars. Thereafter the Employee will receive either sixty (60%): For individuals who earn one-third or more of the state's Average Quarterly Wage or Seventy Percent (70%): For individuals who earned less than one-third of the state's Average Quarterly Wage of Wage or Regular Wages earned in the highest preceding "Base Period" quarter (see Section XIII.A), subject to a maximum weekly benefit of \$1,540 and a minimum weekly benefit of fifty (\$50.00) dollars.

Paid Family Leave Benefits under our improved Voluntary Disability Plan will receive a maximum weekly benefit equal to the State Disability Plan Level.

REGULATORY/LEGISLATIVE CHANGES IMPACTING VOLUNTARY PLANS –2022

- None

In accordance with the California Unemployment Insurance Code, employees who are participating in the Company's California Voluntary Disability Plan have the right to discontinue their coverage under this Plan by notifying the Company, in writing, of their decision within ten (10) days following the effective date of any amendment to the Plan.

If you have any additional questions or would like more details regarding our Voluntary Plan benefits, please do not hesitate to contact me.