



US Benefits

To: All California Employees of VMware, Inc.

Date: December 20, 2020

Subject: California Voluntary Disability Plan Benefit Rate & Limit Changes
Effective January 1, 2021

State Disability Insurance

The State announced that effective **January 1, 2021**, the State Disability Insurance Plan tax rate **will be 1.2%** and the taxable wage base **will increase to \$128,298** of an employee's annual earnings. The maximum annual deduction **will increase to \$1,539.58**. The State Disability Insurance Plan maximum weekly benefit **will increase to \$1,357**.

VMware offers California employees an improved Self-Insured California Voluntary Disability Plan, which is a State approved replacement for your participation in the State Plan. Effective January 1, 2021, the following provisions will take effect for our improved Self-Insured California Voluntary Disability Plan:

Contribution Rate

The contribution rate for VMware Voluntary Disability Plan covered employees will be **1.2% of the first \$128,298** of your wages. The VMware Voluntary Plan employee's 2021 maximum annual contribution **will increase to \$1,539.58**.

Maximum Benefit:

The VMware Voluntary Plan will provide:

Commencing with the first (1st) compensable day of Disability, all eligible Employees will receive a weekly benefit of seventy (70%) percent of his or her Wages or Regular Wages, with no maximum and a minimum weekly benefit of fifty (\$50.00) dollars.

The weekly wage replacement benefit for California Paid Family Leave will be:

1. Benefit Class 1 – The amount of weekly benefit a Benefit Class 1, Pivotal US19 (Research and Development team) or any employee who opts out of the VMware VDI Plan, Employee will receive (subject to Limitations and Exclusions) is 60% of the Employee's Wages or Regular Wages from the State of CA and a top up from VMware to ensure that 70% of wages are provided, with no maximum and a minimum weekly benefit of \$50.
2. Benefit Class 2 - The amount of weekly benefit a Benefit Class 2 Employee will receive (subject to Limitations and Exclusions) is 70% of the Employee's Wages or Regular Wages, with no maximum and a minimum weekly benefit of \$50.

Maximum Total Benefit - Paid Family Leave

Effective January 1, 2020, the VMware Voluntary Plan will increase the maximum Paid Family Leave (PFL) duration to eight (8) weeks.

The maximum benefit payable for anyone PFL benefit period will be the applicable amount as determined under the State Disability Plan Level of Benefits. The program provides up to Eight (8) times the applicable weekly benefit amount during a consecutive Twelve (12) Month Period of time.

SB-83 Regulatory/Legislative changes impacting Voluntary Plans – 2020 / 2021

The Governor signed this bill into law on June 27, 2019 and it becomes effective **July 1, 2020**.

Existing law establishes, within the state disability insurance program, a family temporary disability insurance program, also known as the paid family leave program, for the provision of wage replacement benefits for up to 6 weeks to workers who take time off work to care for a seriously ill family member or to bond with a minor child within one year of birth or placement, as specified.

This bill, beginning July 1, 2020, would instead provide for wage replacement benefits for up to 8 weeks to workers who take time off work to care for a seriously ill family member or to bond with a minor child within one year of birth or placement, as specified. By authorizing an increase in disbursements from the Disability Fund, this bill would make an appropriation.

In accordance with the California Unemployment Insurance Code, employees who are participating in the Company's California Voluntary Disability Plan (VDP) 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. To do so, please send an email to hrsource@vmware.com to request a **rejection form** and upon receipt of your completed form you'll revert to the California State Disability Insurance (SDI) Plan.

Should you have any questions, please contact the HR Source at 1-888-VMware8 option 2.

