

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2054 (Gipson) – As Amended March 16, 2026

Policy Committee:	Military and Veterans Affairs	Vote:	8 - 0
	Insurance		16 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill expands the definition of “covered active duty” for purposes of eligibility for certain Paid Family Leave (PFL) benefits.

Specifically, this bill expands PFL eligibility for military exigency claims to cover duty of a member of the U.S. Armed Forces during training and a domestic deployment and, for a reservist, including a member of the National Guard, a call to active state duty.

FISCAL EFFECT:

One-time costs in the millions of dollars and ongoing annual costs of approximately \$600,000 to the Employment Development Department (EDD) to update documents and automated information technology systems used in administration of PFL benefits (Disability Insurance Fund). Due to system design complexities, EDD notes that the January 1, 2027, operative date for this bill’s expansion of the PFL program is operationally infeasible and may impact the timeline and scope of EDD’s ongoing modernization effort, EDDNext.

Assuming a 2.3% increase in military exigency PFL claims filed effective January 1, 2027, EDD estimates this bill will result in additional benefits paid of approximately \$1.4 million annually when compared to current benefit projections. Since the worker-funded Unemployment Compensation Disability Fund continuously appropriates such payments, this bill makes an appropriation.

COMMENTS:

1) **Purpose.** According to the author:

AB 2054 is about fairness for our military families. Currently, access to [PFL] depends on a narrow definition of active duty, which means some military families are left trying to make ends meet – simply because of how a service member’s duty is classified. When service members are deployed, or called up for training, their families take on additional responsibilities – while raising childcare costs add even more pressure. By modernizing these definitions, AB 2054 ensures our policies reflect today’s military service landscape and deliver the benefits military families have earned.

This bill is sponsored by the U.S. Department of Defense and supported by other military services and a veterans group.

- 2) **PFL Program.** PFL was enacted in 2002 as an expansion of the State Disability Insurance (SDI) program, extending disability compensation to individuals who take time off work to care for a seriously ill child, spouse, parent, or domestic partner, or to bond with a new minor child. The SDI program (which includes the PFL program) is financed solely by worker contributions through an employee payroll deduction. The amount withheld from a worker's paycheck, up to 1.5%, is determined annually by EDD. Beginning January 1, 2025, PFL provides up to eight weeks of 70% to 90% of wage replacement.

SB 1123 (Jackson), Chapter 849, Statutes of 2018, expanded the PFL program to include wage replacement for an individual taking time off work to attend to the immediate needs that arise as a result of having a family member in the military deployed overseas, such as attending counseling or support sessions, making childcare arrangements, and attending to financial or legal matters, among other qualifying exigency needs. This bill expands the definition of "covered active duty" for such claims to include non-overseas duty during training and a domestic deployment and, for a reservist, including a member of the National Guard, a call to active state duty.

- 3) **Related Legislation.** SB 590 (Durazo), Chapter 772, Statutes of 2025, expands PFL, beginning July 1, 2028, to a person who takes time off work to care for a seriously ill "designated person," defined as any individual related by blood or whose association with the claimant is the equivalent of a family relationship.

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