

## CONCURRENCE IN SENATE AMENDMENTS

AB 2054 (Gipson)

As Amended August 20, 2026

Majority vote

**SUMMARY**

This bill expands the definition of "covered active duty" for purposes of eligibility for Paid Family Leave (PFL) benefits to include duty during training, domestic deployments, and, for members of the National Guard, calls to state active duty.

**Senate Amendments**

Delay the implementation of these changes to such time as they are incorporated into EDD's integrated claims management system as part of the EDDNext project, or on July 1, 2028, whichever occurs sooner.

**COMMENTS**

The State Disability Insurance (SDI) program, administered by the Employment Development Department (EDD), was created in 1946 to provide monetary benefits to workers unable to work due to non-work-related illness, injury, or pregnancy. The SDI program is financed solely by worker contributions and covers approximately 18 million individuals across the state. In 2004, California was the first state in the nation to implement a Paid Family Leave program (administered as part of SDI) that provides benefits to workers who need to take time off to care for a seriously ill family member, or to bond with a new child either from birth, adoption, or foster care placement. Effective January 1, 2021, the PFL scope was expanded to include employees taking time off work to assist a military family member under covered active duty or call to covered active duty. PFL provides up to eight weeks of wage replacement benefits.

PFL for Military Families. In 2018, the California Legislature passed SB 1123 (Jackson, Chapter 849, Statutes of 2018), which, effective January 1, 2021, expanded the PFL program to extend wage replacement benefits to workers that need time off to participate in a qualifying exigency related to the covered active duty, as defined, or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the armed forces of the United States, as specified.

As noted above, existing law considers a qualifying exigency to include any of a number of activities resulting from the call to covered active duty, as defined, including attending counseling or support sessions, making childcare or elderly parental care arrangements, attending to financial or legal matters, accompanying the military family member during rest and recuperation leave, and attending specified military events.

California defines "covered active duty" for the purposes of PFL eligibility to include only deployment to a foreign country. Additionally, the existing definition of "covered active duty" with respect to a member of the reserve components of the United States Armed Forces includes only federal calls or orders to deployment overseas. The National Guard, a military reserve organization comprised of reserve components of the Army and Air Force, however, is under dual control of the federal and state governments. In some cases, the National Guard can be deployed to supplement regular armed forces during wars, and in many cases, the National Guard is mobilized by the state to respond to emergencies declared by the Governor, such as natural disasters.

This bill proposes to expand the scope of covered active duty for purposes of PFL eligibility to include domestic deployments and military training to accommodate the needs of military calls to duty.

**According to the Author**

"Existing law for Paid Family Leave does not fully reflect the realities of modern military service. The current law covers military exigencies related to overseas deployments. This creates gaps in coverage for the families of service members who are activated for stateside missions, ordered to extended training, or mobilized as part of the National Guard or Reserve. These assignments create the same urgent needs for families as overseas deployments, such as arranging childcare and managing financial and legal affairs. The lack of a clear, updated definition of "covered active duty" leads to inconsistent application of the law, administrative confusion, and inequitable treatment of military families, causing financial and logistical stress that can distract service members during critical operations.

This bill remedies this deficiency by adding a clear definition of "covered active duty" to the Unemployment Insurance Code. This new definition specifies that qualifying duty includes not only foreign deployments but also non-foreign deployments, extended training assignments, and activations of the armed forces' reserve components and the National Guard. By modernizing the statutory language, the bill ensures that all military families facing a qualifying military event have uniform and equitable access to the PFL benefits they need, regardless of the location or type of their loved one's service."

**Arguments in Support**

The Department of Defense states that, "AB 2054 builds on California's leadership on Paid Family Leave and its expansion to Guard members and reservists activated overseas with its extension to include training, domestic deployment and calls to State Active Duty, writing that this bill address[es] "the operational realities of modern military service, to also apply to families of active-duty and reserve members ordered to extended training and other temporary stateside duties and National Guard members mobilized under Title 10 or Title 32 orders.

These assignments create the same urgent family needs as overseas deployments but often receive inconsistent coverage. By ensuring military family members can manage these disruptions without risking their job or income, AB 2054 provides the peace of mind that translates directly into enhanced mission focus and operational effectiveness."

**Arguments in Opposition**

None on file.

**FISCAL COMMENTS**

- 1) EDD indicates that it would incur one-time costs of \$1.5 million, and annual costs of \$600,000 to implement the provisions of the bill. Cost drivers would include updating documents and automated information technology systems used to administer PFL benefits. EDD notes that due to system design complexities, the bill's operative date (January 1, 2027) is operationally infeasible and may impact the timeline and scope of EDD's ongoing modernization effort, EDDNext.

- 2) Assuming a 2.3 percent increase in military exigency PFL claims filed effective January 1, 2027, EDD estimates this bill would result in \$1.4 million in additional benefits paid annually relative to current (January 2026) benefit projections.

## **VOTES:**

### **ASM MILITARY AND VETERANS AFFAIRS: 8-0-0**

**YES:** Schiavo, Jeff Gonzalez, Ávila Farías, Carrillo, Davies, Irwin, Quirk-Silva, Valencia

### **ASM INSURANCE: 16-0-1**

**YES:** Calderon, Wallis, Addis, Alvarez, Ávila Farías, Berman, Ellis, Gipson, Hadwick, Harabedian, Krell, Nguyen, Ortega, Petrie-Norris, Michelle Rodriguez, Valencia

**ABS, ABST OR NV:** Chen

### **ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

### **ASSEMBLY FLOOR: 73-0-7**

**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas

**ABS, ABST OR NV:** Arambula, Bryan, Chen, Gabriel, Celeste Rodriguez, Ta, Wicks

## **UPDATED**

VERSION: August 20, 2026

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