Senate Committee on Economic Development

H.66

Thomas Stevens: Changes and Important Aspects of H.66

-Proposal is 12 weeks of leave per year for:

-Serious illness.

-Family bonding.

-Self-care or care for a seriously ill family member.

-The bill revises the protected job leave of the existing PFL law.

-Currently, the parental family leave law is that employers with 10 or more employees who work an average of 30 or more hours a week must provide unpaid parental leave; employers with 15 or more employers must provide parental and family medical leave.

-80% of businesses in Vermont have 10 employees or less and 10% have 20 or fewer employees.

-This bill proposes that job protection would be offered to every employee.

-The bill adds concepts to bereavement and safe leave for domestic violence victims.

-The Treasures office would be in charge of setting up the program and hiring out for the necessary software.

-This program would be housed as a division within their office.

-Sen. Clarkson asked how many other states have a PFL program that is this substantial.

-Road Island and California have had programs for a long time.

-12 states have programs but everyone is different due to the lack of a federal framework.

Rep. Kornheiser: Fiscal aspects

-H.66 is built fiscally with a 90% wage replacement level.

-The purpose is to provide more stability for Vermonters living paycheck to paycheck.

-A universal program at a high wage replacement level is more effective for the people who need it as they can actually afford to take time off.

-How is the program being paid for?

-Paid by a payroll tax because it is an insurance program

-This tax is 0.55% with a 50% percent split between employers and employees.

-Self-employed people will be able to opt into the system and pay the full 0.55%

-Businesses that are currently offering paid leave on their own would save money from a statewide pool and businesses that currently cannot offer paid leave would be able to do so.

-Once the program is established it pays for itself through the trust fund that is funded through payroll taxes.

-The Appropriations committees are being asked to provide one-time money to pre-fund the creation of the program so that Vermonters can access the benefits quickly.

Questions from the Committee:

-Sen Harrison asked if the program could be adjusted after a period of time if needed.

-There are annual reports on the trust fund and how it could be adjusted.

-Sen Harrison asked if the program's administrative responsibilities could be switched from the Treasures office to DOL if needed.

-Yes it could be transferred if needed, but because DOL positions are federally funded it is hard for them to administer programs that are State initiatives.

Damien Leonard: Walkthrough and clarification

-The House in Sec. 1 and 2 has essentially taken the existing law and added bereavement leave, safe leave, and qualifying exigencies leave.

-This is in line with the federal law but would extend the benefits to a large number of Vermonters who cannot access it under the Federal guidelines.

-This bill does not change the length of the leave from existing law but it does provide that safe leave is in addition to the other forms of leave.

-Bereavement leave is capped at 2 of the 12 weeks.

-Addressing Sen. Harrisons' prior questions about moving the division if needed: it could be done as this would be a separate division that could be relocated based on need.

-As of right now, Treasury is the best fit for this division.

-Effective dates: contributions for the program would start July 1, 2025; benefits would become available July 1, 2026.