

1 H.672

2 Introduced by Representative Weston of Burlington

3 Referred to Committee on

4 Date:

5 Subject: Labor; paid family leave

6 Statement of purpose: This bill proposes to establish a system of paid family
7 leave, giving qualified employees up to six weeks of paid leave for the birth or
8 adoption of a child or to care for themselves or a close family member who is
9 suffering a serious health condition.

10 An act relating to paid family leave insurance

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. FINDINGS AND PURPOSE

13 The general assembly finds:

14 (1) The family leave law was a much needed response to the dramatic
15 social and economic changes that brought about a significant increase in the
16 number of single-parent families and two-parent families in which both parents
17 work. The family leave law was designed to help stabilize the workforce by
18 allowing employees time away from employment to care for a new child, form
19 strong emotional bonds with the child, and establish a secure system of child

1 care and to care for themselves or a close family member who is suffering
2 from a serious health condition.

3 (2) The time that employees have to recover from a serious medical
4 condition and to limit the spread of contagious disease promotes and cements
5 the employee's long-term attachment to the workforce and improves loyalty to
6 employers.

7 (3) Many working Vermonters have no paid leave whether for illness,
8 birth or adoption of a child, or vacation. When many working Vermonters in
9 low and moderate paying jobs become parents or are faced with their own
10 serious health condition or the need to care for a close family member with a
11 serious health condition, they are financially unable to take time off from
12 work, thereby jeopardizing the health and well-being of their families. No
13 employee should have to risk losing a job in order to care for a family member
14 or himself or herself.

15 (4) When parents are available to care for sick children, children tend to
16 recover faster, avoid more serious illness, and experience improved mental and
17 physical health. When sick children are sent to schools and day care centers
18 because parents cannot afford to leave work to care for them, these children
19 infect other children and adults, spreading sickness and increasing time lost
20 from work or school.

1 (5) A program that provides paid family leave so that employees are
2 financially able to tend to their own health needs and those of close family
3 members not only reduces stress and anxiety but also benefits the employer by
4 minimizing employee turnover and promoting a healthier workforce. Studies
5 show that productivity losses that result from an employee going to work sick
6 are far more costly to employers than the loss from absenteeism.

7 (6) Paid family leave helps to create a stable, productive, and happy
8 workforce and society. Providing paid family leave assures that working
9 people have a real rather than illusory right to care for and bond with their
10 children or care for themselves or a close family member with a serious health
11 condition.

12 Sec. 2. 21 V.S.A. §§ 472c and 472d are added to read:

13 § 472c. PAID FAMILY LEAVE INSURANCE

14 (a) Beginning January 1, 2011, a qualified employee, which for the
15 purposes of this section means an employee who is covered by chapter 17 of
16 this title, may be entitled to paid family leave insurance benefits for a total
17 period not to exceed six weeks. The six-week leave may be used intermittently
18 or consecutively by the day or week during the year after benefits begin for
19 any of the following reasons:

1 (1) For the birth of the employee's child or the initial placement for
2 adoption of a child 16 years of age or younger during the year following the
3 arrival of the child.

4 (2) For the employee to permit recovery from a serious health condition.

5 (3) To care for a child, parent, spouse, or civil union partner who is
6 suffering from a serious health condition.

7 (b) A qualified employee may file an application for benefits under this
8 section with the commissioner on a form provided by the commissioner at least
9 five days before the arrival of a child and as soon as practicable for a serious
10 health condition of the employee or a member of the employee's immediate
11 family. The commissioner shall determine eligibility of the employee based on
12 the following criteria:

13 (1) The employee is qualified.

14 (2) The purposes for which the claim is made are documented.

15 (3) The employee provided the employer with reasonable advance
16 notice of the requested leave.

17 (c) An employee awarded benefits under this section shall receive
18 two-thirds of the employee's average weekly wage based on the employee's
19 wages during the eight weeks preceding the leave with a maximum of \$500.00
20 per week.

21 (d) During the paid leave, the employer shall:

1 (1) Continue the employee's employment benefits at the same level and
2 under the conditions as if the employee were working during the period the
3 employee receives parental leave insurance benefits.

4 (2) Offer the employee the same or comparable job at the same level of
5 compensation, employment benefits, seniority, or any other condition of
6 employment that the employee had on the day the leave commenced when the
7 employee returns to work.

8 (3) Comply with a collective bargaining agreement or employer policy
9 that provides greater leave for the birth or placement of a child.

10 (e) If two employees from the same family request leave under this section,
11 the employer may require that the employees take leave at separate times.

12 (f) Receipt of benefits pursuant to this section shall not diminish an
13 employee's right to leave provided by a collective bargaining agreement or
14 employer policy. An employer may require that leave taken under this section
15 be taken concurrently with leave provided pursuant to sections 472 and 472b
16 of this section.

17 (g) The commissioner shall make a determination of each claim no later
18 than five days after the date the claim is filed, and benefits shall be paid from
19 the paid family leave insurance fund created pursuant to section 472d of this
20 title. An employee or employer aggrieved by a decision of the department
21 under this chapter may file with the commissioner a request for reconsideration

1 within 30 days after receipt of the commissioner's decision. Thereafter, an
2 applicant denied reconsideration may file an appeal to the superior court in the
3 county where the employment is located.

4 § 472d. PAID FAMILY LEAVE INSURANCE FUND

5 (a) A paid family leave insurance fund is created pursuant to subchapter 5
6 of chapter 7 of Title 32 to be expended by the commissioner for the benefits
7 awarded and administration of the paid family leave insurance program. The
8 fund shall consist of a tax to be deducted from employees' wages at the rate of
9 two cents for each hour worked weekly to a maximum of 40 hours, provided
10 that no employee is taxed more than \$26.00 annually. The employer shall
11 submit these taxes to the commissioner in a form and at times determined by
12 the commissioner.

13 (b) Annually, the commissioner shall determine the projected demands on
14 the fund and adjust the employee tax rate in subsection (a) of this section to
15 assure that the tax is the lowest rate necessary to pay projected family leave
16 insurance benefits and associated administrative costs. The commissioner
17 shall file an annual report to the general assembly explaining the rate set for
18 that year.

1 Sec. 3. EFFECTIVE DATE

2 This act shall take effect on July 1, 2010, and on January 1, 2011,
3 employers shall begin deducting taxes from employees' wages and, beginning
4 July 1, 2011, qualified employees may begin to receive benefits under this law.