

1 H.755

2 Introduced by Representative LaLonde of South Burlington

3 Referred to Committee on

4 Date:

5 Subject: Health; health insurance; State employees; municipal employees;

6 teachers; University of Vermont and State Agricultural College;

7 Vermont State Colleges; payment in lieu of health coverage

8 Statement of purpose of bill as introduced: This bill proposes to prohibit
9 public employers from providing cash in lieu of employer-sponsored health
10 coverage to any employee hired on or after July 1, 2018 who has health
11 coverage through his or her status as the dependent of another public employee
12 enrolled in employer-sponsored coverage.

13 An act relating to prohibiting public employers from offering cash in lieu of
14 health coverage to certain employees

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

16 Sec. 1. 3 V.S.A. § 638 is added to read:

17 § 638. PAYMENT IN LIEU OF HEALTH COVERAGE PROHIBITED FOR
18 CERTAIN EMPLOYEES

19 (a)(1) The State of Vermont shall not offer or provide cash or any other
20 payment in lieu of employer-sponsored health coverage to any employee hired

1 on or after July 1, 2018 who has health coverage through his or her status as
2 the dependent of another public employee enrolled in employer-sponsored
3 coverage.

4 (2) For individuals who were employed by the State of Vermont prior to
5 July 1, 2018 and who were receiving cash or other payments in lieu of
6 employer-sponsored health coverage as of that date, the cash or other payments
7 shall not be unilaterally terminated by the employer but, for employees who
8 are permitted to collectively bargain pursuant to chapter 27 or 28 of this title,
9 the cash or other payments may continue to be subject to collective bargaining.
10 Any individual whose employment with the State terminates on or after July 1,
11 2018 shall not be eligible for cash or other payments in lieu of employer-
12 sponsored health coverage if he or she later returns to employment with the
13 State.

14 (b) As used in this section:

15 (1) “Dependent” means an employee’s spouse or unmarried child up to
16 26 years of age, who may be the employee’s own or lawfully adopted child,
17 stepchild, foster child, child under adoptive supervisory placement, or other
18 child who depends on the employee for support and maintenance.

19 (2) “Public employee” means:

20 (A) an individual employed by the State of Vermont;

1 (B) an individual employed by a political subdivision of the State,
2 including a municipality or other instrumentality;

3 (C) an individual employed by a supervisory union or a school
4 district; or

5 (D) an individual employed by the Vermont State Colleges or the
6 University of Vermont and State Agricultural College.

7 Sec. 2. 16 V.S.A. § 1757 is added to read:

8 § 1757. PAYMENT IN LIEU OF HEALTH COVERAGE PROHIBITED
9 FOR CERTAIN EMPLOYEES

10 (a)(1) A school board or supervisory union board shall not offer or provide
11 cash or any other payment in lieu of employer-sponsored health coverage to
12 any teacher, administrator, or other school employee hired on or after July 1,
13 2018 who has health coverage through his or her status as the dependent of
14 another public employee enrolled in employer-sponsored coverage.

15 (2) For individuals who were employed by a school board or
16 supervisory union board prior to July 1, 2018 and who were receiving cash or
17 other payments in lieu of employer-sponsored health coverage as of that date,
18 the cash or other payments shall not be unilaterally terminated by the school
19 board or supervisory union board but, for employees who are permitted to
20 collectively bargain under chapter 57 of this title or under 21 V.S.A.
21 chapter 22, the cash or other payments may continue to be subject to collective

1 bargaining. Any individual whose employment with a school board or
2 supervisory union board terminates on or after July 1, 2018 shall not be
3 eligible for cash or other payments in lieu of employer-sponsored health
4 coverage if he or she later returns to employment with the school board or
5 supervisory union board.

6 (b) As used in this section:

7 (1) "Dependent" means an employee's spouse or unmarried child up to
8 26 years of age, who may be the employee's own or lawfully adopted child,
9 stepchild, foster child, child under adoptive supervisory placement, or other
10 child who depends on the employee for support and maintenance.

11 (2) "Public employee" means:

12 (A) an individual employed by the State of Vermont;

13 (B) an individual employed by a political subdivision of the State,
14 including a municipality or other instrumentality;

15 (C) an individual employed by a supervisory union or a school
16 district; or

17 (D) an individual employed by the Vermont State Colleges or the
18 University of Vermont and State Agricultural College.

1 Sec. 3. 16 V.S.A. § 2187 is added to read:

2 § 2187. PAYMENT IN LIEU OF HEALTH COVERAGE PROHIBITED
3 FOR CERTAIN EMPLOYEES

4 (a)(1) The Vermont State Colleges shall not offer or provide cash or any
5 other payment in lieu of employer-sponsored health coverage to any employee
6 hired on or after July 1, 2018 who has health coverage through his or her status
7 as the dependent of another public employee enrolled in employer-sponsored
8 coverage.

9 (2) For individuals who were employed by the Vermont State Colleges
10 prior to July 1, 2018 and who were receiving cash or other payments in lieu of
11 employer-sponsored health coverage as of that date, the cash or other payments
12 shall not be unilaterally terminated by the employer but, for employees of the
13 Vermont State Colleges who are permitted to collectively bargain pursuant to
14 3 V.S.A. chapter 27, the cash or other payments may continue to be subject to
15 collective bargaining. Any individual whose employment with the Vermont
16 State Colleges terminates on or after July 1, 2018 shall not be eligible for cash
17 or other payments in lieu of employer-sponsored health coverage if he or she
18 later returns to employment with the Vermont State Colleges.

19 (b) As used in this section:

20 (1) "Dependent" means an employee's spouse or unmarried child up to
21 26 years of age, who may be the employee's own or lawfully adopted child,

1 stepchild, foster child, child under adoptive supervisory placement, or other
2 child who depends on the employee for support and maintenance.

3 (2) “Public employee” means:

4 (A) an individual employed by the State of Vermont;

5 (B) an individual employed by a political subdivision of the State,
6 including a municipality or other instrumentality;

7 (C) an individual employed by a supervisory union or a school
8 district; or

9 (D) an individual employed by the Vermont State Colleges or the
10 University of Vermont and State Agricultural College.

11 Sec. 4. 16 V.S.A. § 2286 is added to read:

12 § 2286. PAYMENT IN LIEU OF HEALTH COVERAGE PROHIBITED

13 FOR CERTAIN EMPLOYEES

14 (a)(1) The University of Vermont and State Agricultural College shall not
15 offer or provide cash or any other payment in lieu of employer-sponsored
16 health coverage to any employee hired on or after July 1, 2018 who has health
17 coverage through his or her status as the dependent of another public employee
18 enrolled in employer-sponsored coverage.

19 (2) For individuals who were employed by the University of Vermont
20 and State Agricultural College prior to July 1, 2018 and who were receiving
21 cash or other payments in lieu of employer-sponsored health coverage as of

1 that date, the cash or other payments shall not be unilaterally terminated by the
2 employer but, for employees of the University of Vermont and State
3 Agricultural College who are permitted to collectively bargain pursuant to
4 3 V.S.A. chapter 27, the cash or other payments may continue to be subject to
5 collective bargaining. Any individual whose employment with the University
6 of Vermont and State Agricultural College terminates on or after July 1, 2018
7 shall not be eligible for cash or other payments in lieu of employer-sponsored
8 health coverage if he or she later returns to employment with the University of
9 Vermont and State Agricultural College.

10 (b) As used in this section:

11 (1) “Dependent” means an employee’s spouse or unmarried child up to
12 26 years of age, who may be the employee’s own or lawfully adopted child,
13 stepchild, foster child, child under adoptive supervisory placement, or other
14 child who depends on the employee for support and maintenance.

15 (2) “Public employee” means:

16 (A) an individual employed by the State of Vermont;

17 (B) an individual employed by a political subdivision of the State,
18 including a municipality or other instrumentality;

19 (C) an individual employed by a supervisory union or a school
20 district; or

1 (D) an individual employed by the Vermont State Colleges or the
2 University of Vermont and State Agricultural College.

3 Sec. 5. 24 V.S.A. § 1093 is added to read:

4 § 1093. PAYMENT IN LIEU OF HEALTH COVERAGE PROHIBITED
5 FOR CERTAIN EMPLOYEES

6 (a)(1) A municipal employer shall not offer or provide cash or any other
7 payment in lieu of employer-sponsored health coverage to any municipal
8 employee hired on or after July 1, 2018 who has health coverage through his or
9 her status as the dependent of another public employee enrolled in employer-
10 sponsored coverage.

11 (2) For individuals who were employed by a municipality prior to
12 July 1, 2018 and who were receiving cash or other payments in lieu of
13 employer-sponsored health coverage as of that date, the cash or other payments
14 shall not be unilaterally terminated by the municipal employer but, for
15 employees who are permitted to collectively bargain pursuant to 21 V.S.A.
16 chapter 22, the cash or other payments may continue to be subject to collective
17 bargaining. Any individual whose employment with a municipal employer
18 terminates on or after July 1, 2018 shall not be eligible for cash or other
19 payments in lieu of employer-sponsored health coverage if he or she later
20 returns to employment with the municipal employer.

1 (b) As used in this section:

2 (1) “Dependent” means an employee’s spouse or unmarried child up to
3 26 years of age, who may be the employee’s own or lawfully adopted child,
4 stepchild, foster child, child under adoptive supervisory placement, or other
5 child who depends on the employee for support and maintenance.

6 (2) “Public employee” means:

7 (A) an individual employed by the State of Vermont;

8 (B) an individual employed by a political subdivision of the State,
9 including a municipality or other instrumentality;

10 (C) an individual employed by a supervisory union or a school
11 district; or

12 (D) an individual employed by the Vermont State Colleges or the
13 University of Vermont and State Agricultural College.

14 Sec. 6. EFFECTIVE DATE

15 This act shall take effect on July 1, 2018 and shall apply to all collective
16 bargaining agreements entered into on or after that date.