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H.196

Representatives Condon of Colchester and Wright of Burlington move that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 21 V.S.A. § 475 is added to read:

§ 475. PARENTAL AND FAMILY LEAVE SAVINGS ACCOUNT

(a) As used in this section:

(1) “Commissioner” means the Commissioner of Labor.

(2) “Employee” means an individual employed by an employer.

(3) “Employer” means an individual, organization, governmental body, partnership, association, corporation, legal representative, trustee, receiver, trustee in bankruptcy, and any common carrier by rail, motor, water, air or express company doing business in or operating within this State.

(4) “Financial institution” means [PLACEHOLDER]

(5) “Parental and family leave savings account” means an account established with a financial institution approved by the Commissioner of Financial Regulation.

(b)(1) An individual may elect to open a parental and family leave savings account with an approved financial institution or through a parental and family leave savings plan offered by his or her employer.

1 (2)(A) A parental and family leave savings plan offered by an employer
2 shall permit the employer's employees to open parental and family leave
3 savings accounts with a designated approved financial institution and to have
4 each employee's contributions to his or her account deducted from his or her
5 wages and deposited into the account.

6 (B) The employee's election shall be in writing and shall specify the
7 amount to be deposited in the account for each pay period.

8 (c)(1) An employee's parental and family leave savings account shall be
9 funded by employee contributions, employer contributions, or both.

10 (2) An employer that does not offer a parental and family leave savings
11 plan may deduct and withhold specified employee contribution amounts from
12 its employees' wages and deposit them with a designated financial institution.

13 (3) An employer may elect to make employer contributions to its
14 employees' accounts by either:

15 (A) making elective contributions on a quarterly or annual basis; or

16 (B) by matching an employee's contributions to his or her account.

17 (c)(1) An employee shall be eligible for a distribution from his or her
18 parental and family leave savings account during a leave taken pursuant to
19 section 472 of this title or the federal Family and Medical Leave Act, 29
20 U.S.C. chapter 28. The amount of the distribution shall not exceed the

1 employee’s average weekly wage multiplied by the number of weeks of leave
2 that the employee is taking.

3 (2) Any amounts remaining in an employee’s parental and family leave
4 savings account shall be distributed to the employee when he or she retires or
5 reaches 70 years of age, whichever occurs first.

6 (d) The Commissioner, in consultation with the Commissioner of Financial
7 Regulation, may adopt rules necessary to implement the section.

8 Sec. 2. 32 V.S.A. chapter 151, subchapter 11O is added to read:

9 Subchapter 11O. Parental and Family Leave Savings Tax Credit

10 § 5930qq. PARENTAL AND FAMILY LEAVE SAVINGS TAX CREDIT

11 (a) As used in this section:

12 (1) “Employee” has the same meaning as in 21 V.S.A. § 475.

13 (2) “Employer” has the same meaning as in 21 V.S.A. § 475.

14 (b)(1) A tax credit against any tax liability under section 5822 or 5832 of
15 this title is available to an employer that makes employer contributions to its
16 employees’ parental and family leave savings accounts pursuant to 21 V.S.A.
17 § 475. The credit shall be available for any tax year in which the employer has
18 made contributions to its employees’ parental and family leave savings
19 accounts or the credit may be carried forward to any of the three subsequent
20 tax years.

1 (2) The credit shall be equal to the total amount of employer
2 contributions to parental and family leave savings accounts made by the
3 employer, or \$3,000.00 per employee, whichever is less.

4 (3) The credit, either alone or in combination with any other credit
5 allowed by this chapter, shall not reduce the income tax liability of the
6 employer by more than 80 percent.

7 (c)(1) To claim a credit pursuant to this section, an employer shall submit
8 to the Commissioner of Labor documentation and any additional information
9 requested by the Commissioner that is necessary to demonstrate the amount of
10 the employer's contributions to its employees' parental and family leave
11 savings accounts in the tax year for which the credit is claimed.

12 (2) The Commissioner, upon review and confirmation of the employer's
13 eligibility for a credit, shall issue a credit certificate to the employer, who shall
14 file the certificate with the Department of Taxes with its State income tax
15 return for the applicable year.

16 (d) The Commissioner of Labor shall adopt rules as necessary to
17 implement this section.

18 Sec. 3. EFFECTIVE DATE

19 This act shall take effect on July 1, 2017.