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H.396

Introduced by Representatives Dickinson of St. Albans Town, Bancroft of Westford, Batchelor of Derby, Bates of Bennington, Beck of St. Johnsbury, Brennan of Colchester, Browning of Arlington, Carroll of Bennington, Cupoli of Rutland City, Forguites of Springfield, Gamache of Swanton, Goslant of Northfield, Graham of Williamstown, Gregoire of Fairfield, Hango of Berkshire, Harrison of Chittenden, McCoy of Poultney, McFaun of Barre Town, Morgan of Milton, Murphy of Fairfax, Norris of Shoreham, Quimby of Concord, Rosenquist of Georgia, Savage of Swanton, Seymour of Sutton, Sullivan of Dorset, and Toof of St. Albans Town

Referred to Committee on

Date:

Subject: Executive; labor; insurance benefits; voluntary paid family leave

Statement of purpose of bill as introduced: This bill proposes to enable the Governor to enter into a contract with a private insurance carrier to provide family and medical leave insurance benefits to State employees, which shall also be available to other employers and individuals who elect to enroll in the insurance program.

1 An act relating to the Twin State Voluntary Family and Medical Leave
2 Insurance Plan

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

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

5 § 638. FAMILY AND MEDICAL LEAVE INSURANCE

6 (a) All State employees shall be provided with family and medical leave
7 insurance coverage under the Twin State Family and Medical Leave Insurance
8 Plan established pursuant to section 639 of this chapter.

9 (b) Coverage under the plan shall be provided at no cost to the employee.

10 (c) A State employee shall be eligible to receive family and medical leave
11 insurance benefits pursuant to the Plan after he or she has been employed by
12 the State for 12 months.

13 Sec. 2. 3 V.S.A. § 639 is added to read:

14 § 639. TWIN STATE FAMILY AND MEDICAL LEAVE INSURANCE

15 PLAN

16 (a) The Commissioner of Human Resources shall enter into a contract with
17 an insurance carrier to provide family and medical leave insurance benefits to
18 all permanent State employees. The contract shall have a term of two years
19 with the possibility of up to two one-year renewals at the State's option. The
20 contract shall be awarded pursuant to a competitive bid process conducted in
21 coordination with the State of New Hampshire.

1 (b) The family and medical leave insurance provided pursuant to the
2 contract shall be known as the Twin State Family and Medical Leave
3 Insurance Plan.

4 (c) On or before September 30, 2019, the Commissioners of Human
5 Resources and of Financial Regulation, in cooperation with the State of New
6 Hampshire, shall develop and issue a request for proposals from insurance
7 carriers to provide family and medical leave insurance that meets the following
8 requirements:

9 (1) wage replacement equal to 60 percent of an employee's average
10 weekly wage, with the wages eligible for coverage equal to the maximum
11 Social Security Taxable Wage;

12 (2) six weeks of leave in a calendar year;

13 (3) no minimum duration for a leave;

14 (4) coverage for leaves taken by an employee for any of the following
15 reasons:

16 (A) the birth of a son or daughter of the employee;

17 (B) the placement of a son or daughter with the employee for
18 adoption or foster care;

19 (C) the serious health condition of the employee's spouse, child, or
20 parent;

21 (D) the employee's own serious health condition; or

1 (E) a qualifying exigency, as defined pursuant to 29 C.F.R. §
2 825.126, arising out of the fact that the employee's spouse, child, or parent is
3 on covered active duty in the U.S. Armed Forces, or has been notified of an
4 impending call or order to covered active duty in the U.S. Armed Forces;

5 (5) to the extent possible, premiums shall be income sensitized;

6 (6) employees shall become eligible for benefits after 12 months of
7 work while enrolled in family and medical leave insurance;

8 (7) an employee shall continue to be eligible for benefits upon changing
9 jobs, provided that he or she has already met the 12-month eligibility
10 requirement and remains enrolled in the Plan at his or her new job;

11 (8) during a leave, an employee may choose to use either accrued paid
12 leave or family and medical leave insurance benefits, but may not use both
13 accrued paid leave and family and medical leave insurance benefits at the same
14 time;

15 (9) provides coverage for all eligible state employees in Vermont and
16 New Hampshire;

17 (10) the premiums for coverage of state employees in Vermont and New
18 Hampshire shall be identical during the initial years of the Plan;

19 (11) other public employers and private employers may elect to
20 participate in the Twin State Voluntary Paid Family and Medical Leave
21 Insurance Plan, and may elect to either provide insurance coverage under the

1 Plan to all of their employees or to permit their employees to elect to enroll in
2 the Plan during a specified annual enrollment period;

3 (12) employers that elect to participate in the Plan may determine the
4 portion of the premiums that their employees shall be responsible for;

5 (13) the premiums for coverage provided to employers other than the
6 State shall satisfy the following guidelines:

7 (A) employers with 20 or more employees who have 100 percent of
8 their employees enrolled shall pay the same premium per employee as the
9 State;

10 (B) employers with fewer than 20 employees who have 100 percent
11 of their employees enrolled shall pay a premium per employee that shall not
12 exceed the premium for a State employee by more than five percent; and

13 (C) employers who have less than 100 percent of their employees
14 enrolled shall pay a premium that is set on a sliding scale based on the
15 percentage of employees enrolled and whether the employer employs 20 or
16 more employees;

17 (14) individuals who are self-employed or who are employed by an
18 employer that chooses not to enroll in the Twin State Family and Medical
19 Leave Insurance Plan shall be permitted to enroll in a plan that is an adjunct to
20 the State of Vermont's plan and shall pay a premium that shall not exceed the
21 premium for a State employee by more than 15 percent; and

1 Sec. 4. 21 V.S.A. § 475 is added to read:

2 § 475. TWIN STATE FAMILY AND MEDICAL LEAVE INSURANCE

3 PLAN; VOLUNTARY ENROLLMENT

4 (a) An employer may enroll in the Twin State Family and Medical Leave
5 Insurance Plan created pursuant to 3 V.S.A. § 639.

6 (b) An employer that has enrolled in the Plan may elect to provide
7 coverage under the Plan to either:

8 (1) all of its employees; or

9 (2) only those employees who elect to enroll in the Plan during a
10 specified annual enrollment period.

11 (c) An employer that has enrolled in the Plan may elect to pay the full
12 amount of the premium for each of its employees who are enrolled in the Plan,
13 or to require each enrolled employee to pay a percentage of the applicable
14 premium up to 100 percent with the employer responsible for the remainder of
15 the premium.

16 (d) A self-employed individual or an individual whose employer elects not
17 to enroll in the Twin State Family and Medical Leave Insurance Plan may elect
18 to enroll in the Plan as an individual. An individual who enrolls in the Plan
19 pursuant to this subsection shall be responsible for the full amount of the
20 premium for his or her coverage.

1 (e) Premiums for coverage shall be established by the insurance carrier
2 based on the guidelines set forth in 3 V.S.A. § 639.

3 Sec. 5. EFFECTIVE DATE

4 This act shall take effect on July 1, 2019.