

Draft Legislative Language for FMLI Proposal

Beginning no later than July 1, 2020 the State of Vermont shall provide, at no cost to the employee, Family Medical Leave Insurance (FMLI) to any State government employee on an unpaid leave of absence designated in accordance with the Federal Family Leave Act, 29 U.S.C. § 2601 *et seq.*, and/or Vermont's Parental and Family Leave, 21 V.S.A. § 471 *et seq.*

The FMLI coverage for State government employees shall provide the following coverage:

- 60% of an employee's weekly base wage; and
- Six weeks of maximum coverage, with no minimum duration required.

The Vermont Department of Human Resources and Vermont Department of Financial Regulation are authorized to issue a joint request for proposal with their counterparts in the State of New Hampshire to secure FMLI coverage for the all eligible employees of the states of Vermont and New Hampshire.

The request for proposal shall request wage replacement insurance proposals for (1) the State government employees and (2) voluntary coverage for other public and private employers and individuals in Vermont and New Hampshire, for FMLI, on the following terms:

- Employers that have 100% employee enrollment and 20 employees or more would receive the rate offered to the states of Vermont and New Hampshire for their employees ("state rate");
- Employers that have 100% employee enrollment and fewer than 20 employees would receive a small-employer rate which would be modestly higher than the state rate;
- Employers that have less than 100% employee enrollment would receive a scaled rate based on their participation rate and whether they have 20 employees or more.
- Individuals who are self-employed or who work for employers who choose not to offer FMLI coverage will have the opportunity to purchase coverage under a plan established as an adjunct of the state government employee plan. To help keep coverage affordable, rates for this group would be limited in the amount by which they could exceed the state rate, resulting in a modest degree of subsidization for this group.

Participation in the plan by non-state government employers will be voluntary. Non-state government employers can choose to provide FMLI at no cost to their employees. Alternatively, they can provide the insurance as an employee elective, with a full or partial employee contribution, and subject to enrollment during a specified "open enrollment" period.

The Vermont Department of Human Resources and the Vermont Department of Financial regulation, along with their counterparts in New Hampshire shall jointly evaluate the proposals received in response to the request for proposals and jointly select an insurance carrier to provide FMLI.

The request for proposal shall be issued no later than September 30, 2019 and the coverage in place for State government employees and available for purchase by other public and private employers and individuals by July 1, 2020.

The selected insurance carrier shall be licensed by the States of Vermont and New Hampshire and in good standing in both states.

The selected insurance carrier will be subject to all applicable insurance laws and regulations of the States of Vermont and New Hampshire including filing the FMLI rates and forms with the insurance commissioners of both states.