

- 1 On top of the FMLI claims payments, there are also costs related to the third party vendor that we use for administering leave type products, as well as Carrier B's own costs for staff needed to implement cases and adjudicate claims.
- 2 Carrier B currently only offers FML administration to groups of 250 lives or more.
- 3 Proposed FMLI program requires that groups of 20+ with 100% participation be charged the state rate. But suggest pool small cases together and administer them as one large case with one eligibility file.
- 4 Carrier B staffing costs cover case implementation, leave tracking using the third party vendor's system, and claims adjudication.

5 Claims Costs Grow with Lower Participation

Participation	Factor
25%	1.60
30%	1.50
50%	1.27
75%	1.05
90%	1.02

- 6 Carrier B suggests a separate risk pool for employees who are self-employed or work for an employer who does not offer FMLI. No quotes for this population now; it's too difficult to price adequately for.
- 7 Risk and contingency margin would be higher for smaller groups and lower for larger groups to account for anticipated differences in claims volatility.
- 8 Maximum benefit is 60% of the Social Security Taxable Maximum, or \$132,900 in 2019. That maximum benefit in 2019 would be \$1,533 per week.

Governor's proposal	60%	\$132,900	Social Security max taxable
		\$2,555.77	weekly Soc Sec max taxable
		\$1,533.46	maximum benefit per week

Other relevant notes

Livable wage, 2018	\$13.34	\$27,747.20	annual livable wage
		\$533.60	weekly livable wage
		\$1,067.20	2.0*livable wage per week
		\$1,334.00	2.5*livable wage per week

Median Household Income, 2017	\$57,808	median household income in VT, 2013-2017 in 2017\$
	0.71%	H.107 payroll tax rate
	\$410.44	annual FMLI payroll tax
	\$7.89	weekly FMLI payroll tax

Annual Mean Wage for VT, 2017	\$48,840	Annual Mean Wage for VT (BLS)
	\$346.76	annual FMLI payroll tax
	\$6.67	weekly FMLI payroll tax

For Vermont State Employees:

- 1 VT Workforce Report:
FY18 avg base salary for FT Exec Branch employees: \$62,526.
- 2 Derive median salary as \$59,500. About 70 Vermont State employees earned more than \$132,900 in 2018.