

TO: Sen. Michael Sirotkin, Chair
Members of the Senate Committee on Economic Development, Housing &
General Affairs

FROM: Emily Kisicki, Director of Policy, DFR

DATE: 2/18/22

RE: S. 65; New Hampshire's Paid Family Medical Leave Program

New Hampshire passed its paid family medical leave program in June 2021. The program, titled the "Granite State Paid Family Leave Plan" was incorporated into the state budget bill instead of as a standalone proposal. Some highlights of the plan are outlined below to provide background:

- The plan is not a traditional employer payroll-funded benefit. Instead, New Hampshire created a program that is voluntary for employer participants (aside from the state).
- An insurance carrier selected by the state through a competitive process will offer family medical leave insurance (FMLI) to employers in the state. Employers can then choose whether to opt-in to the plan.
- Participating employers may opt to fully fund employee premiums, split premium costs, or have employees cover the premium costs.
- Individual pool coverage is available for employees who do not qualify for employer coverage or whose employers do not participate in the plan. By law, the premiums for the individual pool are capped at \$5 a week.
 - ➔ Participation in the individual pool has a 7-month waiting period, one-week elimination period, and 60-day open enrollment period
- Covered employees who need to be out of work for a qualifying reason receive 60% of their wages for up to 6 weeks of leave paid by the carrier.
 - ➔ Qualifying reasons are defined in law, and include the birth of a child, adoption or fostering a child, serious health condition of a family member, care for an immediate family member in the military, or have a personal serious health condition that is unrelated to work if the employer does not offer short-term disability insurance.
 - ➔ The law permits those participating employers to require employees to take the family medical leave concurrently with other leave.
 - ➔ Employees of a participating employer with 50 or more employees are provided with protected leave.
- As an incentive to sign up, participating private employers receive a 50% credit against the business enterprise tax.
- The law creates an FMLI premium stabilization trust fund, funded primarily through premium tax, that will be used exclusively to ensure premiums paid by enrollees in the individual pool do not exceed \$5 a week.
- The law creates an FMLI Advisory Board and grants administrative rulemaking authority to the Insurance Department.
- New Hampshire is currently in the RFP process and expects to be reviewing bids this spring. The law requires the selected carrier to begin offering the FMLI by January 1, 2023.