

1 S.65

2 Introduced by Senators Sirotkin, Clarkson, Hardy and Ram

3 Referred to Committee on

4 Date:

5 Subject: Labor; employment practices; paid family leave

6 Statement of purpose of bill as introduced: This bill proposes to create a Paid
7 Family and Medical Leave Insurance Program within the Department of Labor
8 that may be administered by a private insurance provider. The Program will
9 provide eligible employees with paid parental and family leave and the option
10 to obtain paid medical leave coverage for their own illness. This bill also
11 proposes to amend Vermont's existing Parental and Family Leave Act to make
12 it applicable to additional employers and to clarify certain provisions.

13 An act relating to paid family leave

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

15 Sec. 1. PURPOSE

16 It is the intent of the General Assembly that:

17 (1) the Family and Medical Leave Insurance Program established by this
18 act shall provide employees with affordable Family and Medical Leave

19 Insurance benefits;

20 (2) the Commissioner of Financial Regulation shall seek a private

1 insurance carrier to provide the benefits required under the Program;

2 (3) if the Commissioner is able to identify an insurance carrier that can
3 provide the required benefits in a more cost-effective manner than would be
4 possible if benefits were provided by the State, the Commissioner shall enter
5 into a contract with that insurance carrier to administer the Program and
6 provide the benefits required by this act; and

7 (4) if the Commissioner is unable to identify a suitable insurance carrier,
8 the Program shall be administered by the Department of Labor in coordination
9 with the Departments of Financial Regulation and of Taxes.

10 Sec. 2. 21 V.S.A. chapter 5, subchapter 13 is added to read:

11 Subchapter 13. Family and Medical Leave Insurance

12 § 571. DEFINITIONS

13 As used in this subchapter:

14 (1) “Average weekly wage” means the employee’s total wages from his
15 or her two highest-earning quarters in the last four completed calendar quarters
16 divided by 26.

17 (2) “Bonding leave” means a leave of absence from employment by an
18 employee for:

19 (A) the employee’s pregnancy;

20 (B) the birth of the employee’s child; or

21 (C) the initial placement of a child 18 years of age or younger with

1 the employee for the purpose of adoption or foster care.

2 (3) “Domestic partner” has the same meaning as in 17 V.S.A. § 2414.

3 (4) “Employee” means an individual who receives payments with
4 respect to services performed for an employer from which the employer is
5 required to withhold Vermont income tax pursuant to 32 V.S.A. chapter 151,
6 subchapter 4.

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

11 (6) “Family care leave” means a leave of absence from employment by
12 an employee for a serious illness of the employee’s family member.

13 (7) “Family member” means:

14 (A) the employee’s child or foster child;

15 (B) a step child or ward who lives with the employee;

16 (C) the employee’s spouse, domestic partner, or civil union partner;

17 (D) the employee’s parent or the parent of the employee’s spouse,
18 domestic partner, or civil union partner;

19 (E) the employee’s sibling;

20 (F) the employee’s grandparent;

21 (G) the employee’s grandchild; or

1 (H) a child for whom the employee stands in loco parentis or an
2 individual who stood in loco parentis for the employee when he or she was a
3 child.

4 (8) “In loco parentis” means a child for whom the employee has day-to-
5 day responsibilities to care for and financially support, or, in the case of the
6 employee, an individual who had such responsibility for the employee when he
7 or she was a child.

8 (9) “Medical leave” means a leave of absence from employment by an
9 employee for his or her own serious illness.

10 (10) “Qualified employee” means an employee who has:

11 (A) earned wages from which contributions were withheld pursuant
12 to sections 573 and 574 of this subchapter during at least two of the last four
13 completed calendar quarters; and

14 (B) earned wages from which contributions were withheld pursuant
15 to sections 573 and 574 of this subchapter during the last four completed
16 calendar quarters in an amount that is equal to or greater than 675 hours at the
17 minimum wage established pursuant to section 384 of this chapter.

18 (11) “Serious illness” means an accident, disease, or physical or mental
19 condition that:

20 (A) poses imminent danger of death;

21 (B) requires inpatient care in a hospital; or

1 (C) requires continuing in-home care under the direction of a
2 physician.

3 (12) “Vermont average weekly wage” means the most recent average
4 weekly wage for Vermont as calculated by the U.S. Bureau of Labor Statistics.

5 (13) “Wages” means payments that are included in the definition of
6 wages set forth in 26 U.S.C. § 3401.

7 § 572. FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM;

8 ADMINISTRATION

9 (a) The Family and Medical Leave Insurance Program is established in the
10 Department of Labor for the provision of Family and Medical Leave Insurance
11 benefits to eligible employees pursuant to this section.

12 (b)(1) The Commissioner of Financial Regulation shall endeavor to
13 identify and contract with a suitable insurance carrier to provide paid family
14 and medical leave insurance in accordance with this subchapter.

15 (2)(A) Within 45 calendar days after the effective date of this section,
16 but in no event later than July 1, 2021, the Commissioner of Financial
17 Regulation, in consultation with the Commissioners of Human Resources, of
18 Labor, and of Taxes, shall develop and issue a request for information related
19 to the provision of family and medical leave insurance by a private insurance
20 carrier on behalf of the State that satisfies the requirements of this subchapter.
21 The request for information shall also seek input regarding the cost and

1 administrative feasibility of the insurance carrier administering the collection
2 of contributions on behalf of the Department of Taxes pursuant to section 574
3 of this subchapter.

4 (B) Responses to the request for information shall be due 45 calendar
5 days after the request for information is issued.

6 (3)(A) The Commissioner of Financial Regulation, in consultation with
7 the Commissioners of Human Resources, of Labor, and of Taxes, shall develop
8 a request for proposals for an insurance carrier to provide family and medical
9 leave insurance that satisfies the requirements of this subchapter. The request
10 for proposals shall be issued 15 calendar days after the date on which
11 responses to the request for information are due.

12 (B) An insurance carrier shall not be selected unless it can
13 demonstrate that it would be able to provide the required insurance benefits
14 and comply with the provisions of this subchapter in a more cost-effective
15 manner than if the Family and Medical Leave Insurance Program were
16 administered by the State.

17 (4) Not more than 75 calendar days after the request for proposals is
18 issued, the Commissioner of Financial Regulation, in consultation with the
19 Commissioners of Human Resources, of Labor, and of Taxes, shall evaluate
20 the proposals received in response to the request for proposals and shall select
21 the proposal that the Commissioner determines:

1 (A) best satisfies the requirements of this subchapter;

2 (B) will provide the required insurance benefits and comply with the
3 provisions of this subchapter in a more cost-effective manner than if the
4 Family and Medical Leave Insurance Program were administered by the State;
5 and

6 (C) delivers the greatest value to the State and Vermont's employees
7 and employers.

8 (5) An agreement with an insurance carrier to provide family and
9 medical leave insurance pursuant to this section shall include provisions that:

10 (A) permit the Commissioner of Financial Regulation to terminate
11 the agreement for noncompliance with this chapter; and

12 (B) in the event the General Assembly enacts legislation providing
13 for mandatory coverage for medical leave, require the Commissioner of
14 Financial Regulation and the insurance carrier to reopen the agreement to make
15 any amendments that are necessary to ensure that the agreement complies with
16 the requirements of the legislation.

17 (6)(A) An agreement with an insurance carrier pursuant to this
18 subsection shall be for a period of not more than four years.

19 (B) Not later than six months prior to the expiration of the agreement
20 pursuant to this subsection, the Commissioner of Financial Regulation and the
21 Commissioner of Labor shall jointly determine whether to renew the

1 agreement for an additional period of not more than four years or to issue a
2 new request for proposals for an insurance carrier to provide family and
3 medical leave insurance that satisfies the requirements of this subchapter.

4 (7)(A) The insurance carrier shall have its books and financial records
5 related to the provision of family and medical leave insurance pursuant to this
6 subchapter audited annually. The audit shall also include detailed information
7 regarding the number of claims submitted broken down by the type of leave,
8 the average duration of benefits provided for each type of leave, the number of
9 claims that were denied, the number of claim denials that were overturned on
10 appeal, and any changes in those amounts in comparison to the prior year.

11 (B) The insurance carrier shall provide a copy of the annual audit to
12 the Commissioner of Financial Regulation, who shall review the audit and, not
13 later than 30 calendar days after receiving the audit, submit a detailed summary
14 to the House Committees on Appropriations, on General, Housing, and
15 Military Affairs, and on Ways and Means and to the Senate Committees on
16 Appropriations, on Economic Development, Housing and General Affairs, and
17 on Finance.

18 (c)(1) In the event that the Commissioner of Financial Regulation is unable
19 to secure a suitable insurance carrier pursuant to subsection (b) of this section,
20 the Family and Medical Leave Insurance Program shall be administered by the
21 Department of Labor pursuant to the provisions of this subchapter.

1 (2) In the event that the Family and Medical leave Insurance Program is
2 administered by the Department of Labor, the Commissioner of Labor may
3 contract with one or more third-party administrators for actuarial support,
4 Program and fund administration, the processing of benefits claims and
5 payments, and the initial determination of appeals.

6 § 572a. NOTICE

7 (a) An employer shall post and maintain in a conspicuous place in and
8 about each of its places of business printed notices of the provisions of this
9 subchapter on forms provided by the Commissioner of Labor.

10 (b) An employer shall provide written notice of the provisions of this
11 subchapter to new employees within 30 calendar days after the date on which
12 they are hired.

13 § 573. CONTRIBUTIONS

14 (a) An employer that does not elect to meet its obligations under this
15 subchapter as provided pursuant to section 577 shall remit the contributions
16 required by subsection (b) of this section to the Commissioner of Taxes on a
17 quarterly basis as provided pursuant to 32 V.S.A. § 5842(a)(1).

18 (b)(1)(A) Contributions for bonding and family care insurance shall be
19 equal to 0.20 percent of each employee's covered wages.

20 (B) Contributions for medical leave benefits for employees who have
21 elected to obtain coverage pursuant to section 577a of this subchapter shall be

1 equal to 0.38 percent of the employee's covered wages.

2 (2) An employer shall have the option of paying some or all of the
3 contributions due from an employee's covered wages or may deduct and
4 withhold the full amount of the contribution due from the employee's covered
5 wages.

6 (c) As used in this section, the term "covered wages" shall include all
7 wages paid to an employee up to the amount of the maximum Social Security
8 Taxable Wage.

9 (d)(1) The General Assembly shall annually review and, if necessary,
10 adjust the rates of contribution established pursuant to subsection (b) of this
11 section for the next fiscal year. The rates shall equal the amount necessary to
12 provide Family and Medical Leave Insurance benefits pursuant to this
13 subchapter, to administer the Family and Medical Leave Insurance Program
14 during the next fiscal year, and, if a reserve is necessary, to ensure that it is
15 adequately funded.

16 (2) On or before February 1 of each year, the Commissioner of Financial
17 Regulation, in consultation with the insurance carrier that the State has
18 contracted with, if any, and the Commissioners of Labor and of Taxes, shall
19 report to the General Assembly the rates of contribution necessary to provide
20 Family and Medical Leave Insurance benefits pursuant to this subchapter, to
21 administer the Program during the next fiscal year, and, if a reserve is

1 necessary, to ensure that it is adequately funded.

2 § 574. COLLECTION OF CONTRIBUTIONS; REMITTANCE

3 (a) The Commissioner of Taxes shall collect all contributions required
4 pursuant to section 573 of this subchapter and deposit them into the Family
5 and Medical Leave Insurance Special Fund.

6 (b)(1) The Commissioner of Taxes shall require the withholding of the
7 contributions required pursuant to section 573 of this subchapter from wages
8 paid by any employer, as if the contributions were an additional Vermont
9 income tax subject to the withholding requirements of 32 V.S.A. § 5841(a).
10 The administrative and enforcement provisions of 32 V.S.A. chapter 151,
11 subchapter 4 shall apply to the withholding requirement under this section as if
12 the contributions withheld were a Vermont income tax.

13 (2) An employer that has received approval from the Commissioner of
14 Financial Regulation for an alternative insurance or benefit plan pursuant to the
15 provisions of section 577 shall not be required to withhold contributions
16 pursuant to this section.

17 (c)(1) The Commissioner of Taxes may enter into a memorandum of
18 understanding with the private insurance carrier contracted with by the
19 Commissioner of Financial Regulation pursuant to section 572 of this
20 subchapter, the Commissioner of Financial Regulation, or the Commissioner
21 of Labor as necessary to carry out the provisions of this section.

1 (2) The Commissioner of Taxes may contract with the private insurance
2 carrier contracted with by the Commissioner of Financial Regulation pursuant
3 to section 572 of this subchapter to administer the collection of contributions
4 pursuant to this section.

5 § 575. BENEFITS

6 (a)(1) A qualified employee shall be permitted to receive a total of not
7 more than 12 weeks of Family and Medical Leave Insurance benefits in a
8 calendar year, which may include:

9 (A) up to 12 weeks of benefits for bonding leave taken by the
10 employee;

11 (B) up to eight weeks of benefits for family care leave taken by the
12 employee; and

13 (C) for an employee who has elected to obtain medical leave
14 coverage pursuant to the provisions of section 577a of this subchapter, up to
15 six weeks of benefits for medical leave taken by the employee.

16 (2) Notwithstanding subdivision (1)(B) of this subsection, with respect
17 to a serious illness of an individual who is a sibling or grandparent of one or
18 more qualified employees, the qualified employees who are a sibling or
19 grandchild of that individual shall be permitted to receive a combined total of
20 not more than six weeks of Parental and Family Leave Insurance benefits in a
21 calendar year for family care leave related to that individual.

1 (b)(1) The weekly benefit amount for a qualified employee awarded Family
2 and Medical Leave Insurance benefits under this section shall be determined as
3 follows:

4 (A) the portion of the qualified employee's average weekly wage that
5 is less than or equal to 55 percent of the Vermont average weekly wage shall
6 be replaced at a rate of 90 percent; and

7 (B) the portion of the qualified employee's average weekly wage that
8 is greater than 55 percent of the Vermont average weekly wage shall be
9 replaced at a rate of 55 percent.

10 (2) Notwithstanding subdivision (1) of this subsection, no qualified
11 employee may receive Parental and Family Leave Insurance benefits in an
12 amount that exceeds the Vermont average weekly wage.

13 (c)(1)(A) Each qualified employee shall complete a waiting period before
14 he or she may receive benefits for a medical leave or family care leave.

15 (B) The waiting period shall consist of the first five calendar days in
16 a calendar year for which the qualified employee would otherwise be eligible
17 to receive benefits for a medical leave or family care leave.

18 (C) Family and Medical Leave Insurance benefits shall not be
19 payable for any day in the waiting period.

20 (2) A qualified employee shall only have one waiting period in a
21 calendar year.

1 (3) No waiting period shall be required before a qualified employee is
2 eligible to receive Family and Medical Leave Insurance benefits in relation to a
3 bonding leave.

4 (d) A qualified employee may receive Family and Medical Leave Insurance
5 benefits for an intermittent leave or leave for a portion of a week. The benefit
6 amount for an intermittent leave or leave for a portion of a week shall be
7 calculated in increments of one full day or one fifth of the qualified employee's
8 weekly benefit amount.

9 (e) Family and Medical Leave Insurance benefits paid pursuant to this
10 subchapter may be used as wage replacement for a leave taken pursuant to
11 section 472 of this title or the federal Family and Medical Leave Act,
12 29 U.S.C. §§ 2611–2654. The receipt of benefits paid pursuant to this
13 subchapter shall not extend the leave provided pursuant to section 472 of this
14 title or the federal Family and Medical Leave Act.

15 (f)(1) A qualified employee shall not be permitted to receive Family and
16 Medical Leave Insurance benefits for any day for which he or she is receiving:

17 (A) wages;

18 (B) payment for the use of vacation leave, sick leave, or other
19 accrued paid leave;

20 (C) payment pursuant to a disability insurance plan;

21 (D) unemployment insurance benefits pursuant to chapter 17 of this

1 title or the law of any other state; or

2 (E) compensation for temporary partial disability or temporary total
3 disability pursuant to chapter 9 of this title, the workers' compensation law of
4 any state, or any similar law of the United States.

5 (2) Notwithstanding subdivision (1) of this subsection, an employer may
6 provide its employees with additional income to supplement the amount of the
7 benefits provided pursuant to this section provided that the sum of the
8 additional income and the benefits provided pursuant to this section does not
9 exceed the employee's average weekly wage.

10 § 576. APPLICATION FOR BENEFITS; PAYMENT; TAX

11 WITHHOLDING

12 (a) A qualified employee, or his or her agent, shall file an application for
13 Family and Medical Leave Insurance benefits under this subchapter on a form
14 approved by the Commissioner of Labor. The determination of whether the
15 qualified employee is eligible to receive Family and Medical Leave Insurance
16 benefits shall be based on the following criteria:

17 (1) The claim is for a bonding leave, a family care leave, or, if
18 applicable, a medical leave and the need for the leave is adequately
19 documented.

20 (2) The claimant satisfies the requirements to be a qualified employee as
21 defined pursuant to subdivision 571(10) of this subchapter.

1 (3) The claimant has specified the anticipated or actual start date of the
2 leave and the anticipated duration of the leave.

3 (b)(1) A determination shall be made in relation to each claim within not
4 more than five business days after the date the claim is filed. The time to make
5 a determination on a claim may be extended by not more than 15 business days
6 if necessary to obtain documents or information that are needed to make the
7 determination.

8 (2) An application for Family and Medical Leave Insurance benefits
9 may be filed:

10 (A) up to 60 calendar days before an anticipated leave; or

11 (B) in the event of a premature birth or an unanticipated serious
12 illness, within 60 calendar days after the leave begins.

13 (3)(A) Benefits shall be paid to a qualified employee for the time period
14 beginning on the day his or her leave began less any waiting period required
15 pursuant to subsection 575(c) of this subchapter.

16 (B) The first benefit payment shall be sent to the qualified employee
17 within 14 calendar days after the leave begins or the claim is approved,
18 whichever is later, and subsequent payments shall be sent biweekly.

19 (4) The provisions of section 1367 of this title shall apply to Family and
20 Medical Leave Insurance benefits.

21 (c)(1) An individual filing a claim for Family and Medical Leave Insurance

1 benefits shall, at the time of filing, be advised that Family and Medical Leave
2 Insurance benefits may be subject to income tax and that the individual's
3 benefits may be subject to withholding.

4 (2) All procedures specified by 26 U.S.C. chapter 24 and 32 V.S.A.
5 chapter 151, subchapter 4 pertaining to the withholding of income tax shall be
6 followed in relation to the payment of Family and Medical Leave Insurance
7 benefits.

8 (d) As used in this section, "agent" means an individual who holds a valid
9 power of attorney for the employee or other legal authorization to act on the
10 employee's behalf that is acceptable to the Commissioner of Labor.

11 § 577. EMPLOYER OPTION; ALTERNATIVE INSURANCE OR
12 BENEFITS

13 (a) As an alternative to and in lieu of participating in the Family and
14 Medical Leave Insurance Program, an employer may, upon approval by the
15 Commissioner of Financial Regulation, comply with the requirements of this
16 subchapter through the use of an alternative insurance plan or benefit plan that
17 provides to all of its employees benefits for bonding and family care leave that
18 are equivalent to or more generous than the benefits provided pursuant to this
19 subchapter. An employer may elect to provide such benefits by:

20 (1) establishing and maintaining to the satisfaction of the Commissioner
21 of Financial Regulation self-insurance necessary to provide equivalent or more

1 generous benefits;

2 (2) purchasing insurance coverage for the payment of equivalent or
3 more generous benefits from any insurance carrier authorized to provide
4 family and medical leave insurance in this State;

5 (3) establishing an employee benefits plan that provides equivalent or
6 more generous benefits; or

7 (4) any combination of subdivisions (1) through (3) of this subsection.

8 (b)(1) The Commissioner of Financial Regulation may approve an
9 alternative insurance or benefit plan under this section upon making a
10 determination that it provides benefits that are equivalent to or more generous
11 than the benefits provided pursuant to this subchapter.

12 (2)(A) Nothing in this section shall be construed to required that the
13 benefits provided by an alternative insurance or benefit plan be identical to the
14 benefits provided pursuant to this subchapter.

15 (B)(i) The Commissioner shall determine whether the benefits
16 provided by a proposed alternative insurance or benefit plan are equivalent to
17 or more generous than the benefits provided pursuant to this subchapter by
18 weighing the relative value of the alternative plan's length of leave, wage
19 replacement, and cost to employees against the provisions of this subchapter.

20 (ii) In making the determination pursuant to this subdivision
21 (b)(2)(B), the Commissioner shall also consider the relative value of any

1 medical leave that is provided to employees as set forth in subdivision
2 (b)(2)(C)(i) of this section.

3 (C) The Commissioner shall not approve an alternative insurance or
4 benefit plan under this section unless the plan either:

5 (i) provides employees with coverage for medical leave for a
6 period of at least six weeks at the same level of wage replacement as the plan
7 provides for family care leave; or

8 (ii) offers employees the option to obtain, at a reasonable cost,
9 coverage for medical leave for a period of at least six weeks at the same level
10 of wage replacement as the plan provides for family care leave.

11 (c)(1) Except as otherwise provided pursuant to subdivision (4) of this
12 subsection, an alternative insurance or benefit plan shall only be permitted to
13 become effective on the January 1 following its approval and shall remain in
14 effect until it is discontinued pursuant to subdivision (3) of this subsection.

15 (2)(A) An employer shall submit an application to the Commissioner of
16 Financial Regulation for approval of a new or modified alternative insurance or
17 benefit plan on or before October 15 of the calendar year prior to when it shall
18 take effect.

19 (B) The Commissioner shall make a determination and notify the
20 employer of whether its application has been approved on or before
21 December 1. If the application is approved, the Commissioner shall also

1 provide a copy of the notice to the Commissioners of Labor and of Taxes on or
2 before December 1.

3 (3) An employer may discontinue its alternative insurance or benefit
4 plan on January 1 of any year by filing notice of its intent to discontinue the
5 plan with the Commissioners of Financial Regulation, of Labor, and of Taxes
6 on or before November 1 of the prior year.

7 (4)(A) Notwithstanding any provisions of subdivisions (1) and (2) of
8 this subsection to the contrary, for calendar year 2022, an employer shall
9 submit an application for a new alternative insurance or benefit plan not less
10 than 60 days prior to the first day of the first quarter for which contributions
11 shall be due.

12 (B) The Commissioner shall make a determination and notify the
13 employer of whether its application has been approved not later than 15 days
14 prior to the first day of the first quarter for which contributions shall be due. If
15 the application is approved, the Commissioner shall also provide a copy of the
16 notice to the Commissioners of Labor and of Taxes not later than 15 days prior
17 to the first day of the first quarter for which contributions shall be due.

18 (C) An employer that receives approval for an alternative insurance
19 or benefit plan pursuant to this subdivision (4) shall, during calendar year
20 2022, be exempt from withholding contributions as provided pursuant to
21 subdivision 574(b)(2) of this subchapter.

1 (d) Nothing in this subchapter shall be construed to diminish an employer's
2 obligation to comply with any collective bargaining agreement or paid time off
3 policy that provides more generous benefits than the benefits provided
4 pursuant to this subchapter.

5 § 577a. MEDICAL LEAVE COVERAGE; ELECTION

6 (a)(1) An employee may elect to obtain coverage for medical leave by
7 submitting an enrollment form approved by the Commissioner of Taxes to
8 either:

9 (A) his or her employer and the Commissioner of Taxes; or

10 (B) if his or her employer has received approval for an alternative
11 insurance or benefits plan pursuant to section 577 of this subchapter, his or her
12 employer.

13 (2) An employee who elects to enroll in medical leave coverage shall
14 submit the form required pursuant to subdivision (a)(1) of this section not later
15 than December 1 of the year prior to the year in which the employee intends to
16 begin medical leave coverage.

17 (b)(1) An employee who has enrolled in medical leave coverage pursuant
18 to the provisions of subsection (a) of this section shall become liable for the
19 additional contribution amount required pursuant to subdivision 573(b)(1)(B)
20 of this subchapter or the additional cost for medical leave coverage under his
21 or her employer's alternative plan beginning on the next January 1 following

1 his or her enrollment.

2 (2)(A) An employee who enrolls in medical leave coverage through the
3 Family and Medical Leave Insurance Program shall remain enrolled for a
4 minimum period of three years. At the conclusion of his or her initial three-
5 year period, and annually thereafter, the employee may discontinue his or her
6 medical leave coverage pursuant to subsection (c) of this section.

7 (B) An employee who enrolls in medical leave coverage through an
8 alternative insurance or benefits plan offered by his or her employer shall
9 remain enrolled for the minimum period required pursuant to the plan. At the
10 conclusion of the minimum required period, and annually thereafter, the
11 employee may discontinue his or her medical leave coverage pursuant to
12 subsection (c) of this section.

13 (3) The employee shall be liable for the additional medical leave
14 contribution amount required pursuant to subdivision 573(b)(1)(B) of this
15 subchapter or the additional cost for medical leave coverage under his or her
16 employer's alternative plan until he or she discontinues medical leave coverage
17 pursuant to subsection (c) or (d) of this section.

18 (4) The employee shall become eligible to use medical leave benefits
19 upon satisfying the requirements to be a qualified employee pursuant to
20 subdivision 571(10) of this subchapter or meeting the eligibility requirements
21 for his or her employer's alternative insurance or benefits plan, as appropriate.

1 (c)(1) An employee may discontinue medical leave coverage by
2 submitting, not later than December 1 of the year prior to the calendar year in
3 which the employee intends to discontinue coverage, a form approved by the
4 Commissioner of Taxes to either:

5 (A) his or her employer and the Commissioner of Taxes; or

6 (B) if his or her employer has received approval for an alternative
7 insurance or benefits plan pursuant to section 577 of this subchapter, his or her
8 employer.

9 (2) On the next January 1 after the timely submission of the form
10 required pursuant to subdivision (1) of this subsection, the employee shall no
11 longer:

12 (A) be eligible for medical leave benefits; and

13 (B) be liable for the additional contribution amount required pursuant
14 to subdivision 573(b)(1)(B) of this subchapter or the additional cost for
15 medical leave coverage under his or her employer's alternative plan.

16 (d)(1) An employee who is ceasing employment in Vermont or becoming
17 self-employed may discontinue his or her medical leave coverage effective on
18 his or her last day of employment by submitting a form approved by the
19 Commissioner of Taxes to either:

20 (A) his or her employer and the Commissioner of Taxes; or

21 (B) if his or her employer has received approval for an alternative

1 insurance or benefits plan pursuant to section 577 of this subchapter, his or her
2 employer.

3 (2) Upon the effective date of the employee's discontinuation of
4 coverage, he or she shall no longer be:

5 (A) eligible for medical leave benefits; and

6 (B) liable for the additional contribution amount required pursuant to
7 subdivision 573(b)(1)(B) of this subchapter or the additional cost for medical
8 leave coverage under his or her employer's alternative plan.

9 (e)(1) For an employee who has elected to obtain medical leave coverage
10 through the Family and Medical Leave Insurance Program:

11 (A) If during the initial three-year period, he or she experiences a
12 break in employment and is subsequently rehired by any employer
13 participating in the Family and Medical Leave Insurance Program, the
14 employee shall remain enrolled in medical leave coverage and the period of his
15 or her break in employment shall count toward the initial three-year period.

16 (B) If at any time, he or she separates from employment with an
17 employer that is participating in the Family and Medical Leave Insurance
18 Program in order to take a job with another employer that is participating in the
19 Family and Medical Leave Insurance Program, the employee shall remain
20 enrolled in medical leave coverage and, if applicable, the period of any break
21 in employment shall count toward the initial three-year period.

1 (C) If at any time, he or she separates from employment with an
2 employer that is participating in the Family and Medical Leave Insurance
3 Program and subsequently begins employment with an employer that has
4 received approval for an alternative insurance or benefits plan pursuant to
5 section 577 of this subchapter, the employee's medical leave coverage under
6 the Family and Medical Leave Insurance Program shall cease on the day he or
7 she commences employment with the new employer.

8 (2)(A) If an employee who has elected to obtain medical leave coverage
9 through an alternative insurance or benefits plan approved pursuant to section
10 577 of this subchapter separates from employment with the employer that has
11 received approval for an alternative plan in order to take a job with another
12 employer, the employee's medical leave coverage under the alternative plan
13 shall cease on the day he or she separates from employment with the current
14 employer.

15 (B) On the date the employee separates from employment, he or she
16 shall no longer be eligible for medical leave benefits under the alternative plan,
17 and shall no longer be liable for the additional cost for medical leave coverage
18 under his or her former employer's alternative plan.

19 (f)(1) Notwithstanding any provision of subsection (a) to the contrary, an
20 employee who elects to enroll in medical leave coverage for calendar year
21 2022, shall, not later than 30 calendar days prior to the first day of the first

1 quarter for which contributions shall be due, submit an enrollment form
2 approved by the Commissioner of Taxes to either:

3 (A) the Commissioner of Taxes and his or her employer; or

4 (B) if his or her employer has received approval for an alternative
5 insurance or benefits plan pursuant to section 577 of this subchapter, his or her
6 employer.

7 (2) An employee who has enrolled in medical leave coverage pursuant
8 to the provisions of subdivision (1) of this subsection shall become liable for
9 the additional contribution amount required pursuant to subdivision
10 573(b)(1)(B) of this subchapter or the additional cost for medical leave
11 coverage under his or her employer's alternative plan beginning on July 1,
12 2022.

13 (3)(A) An employee who has enrolled pursuant to subdivision (1) of this
14 subsection in medical leave coverage offered through the Family and Medical
15 Leave Insurance Program shall be eligible to discontinue that coverage on
16 January 1, 2025 by submitting the required form not later than December 1,
17 2024.

18 (B) An employee who has enrolled pursuant to subdivision (1) of this
19 subsection in medical leave coverage offered through his or her employer's
20 alternative insurance or benefits plan shall be eligible to discontinue that
21 coverage as provided under the alternative insurance or benefits plan, and in no

1 event later than January 1, 2025, by submitting the required form at least 30
2 calendar days prior to the date on which his or her coverage will cease.

3 § 578. DISQUALIFICATIONS

4 A qualified employee shall be disqualified for benefits for any week in
5 which he or she has received:

6 (1) compensation for temporary partial disability or temporary total
7 disability under the workers' compensation law of any state or under a similar
8 law of the United States; or

9 (2) unemployment insurance benefits under the law of any state.

10 § 579. APPEALS

11 (a) An employer or employee aggrieved by a decision under section 576 or
12 578 of this subchapter may file an initial appeal of the decision with the
13 insurance carrier that the State has contracted with.

14 (b) Within 20 calendar days after receiving notice of the insurance carrier's
15 decision on the initial appeal, the employer or employee may appeal the
16 decision to an administrative law judge as provided pursuant to sections 1348
17 and 1351–1357 of this title.

18 (c) Within 30 calendar days after receiving notice of the administrative law
19 judge's decision, either party may appeal that decision to the Supreme Court.

20 § 580. FALSE STATEMENT OR REPRESENTATION; PENALTY

21 A person who willfully makes a false statement or representation for the

1 purpose of obtaining any benefit or payment or to avoid payment of any
2 required contributions under the provisions of this subchapter, either for
3 himself or herself or for any other person, after notice and opportunity for
4 hearing, may be assessed an administrative penalty of not more than
5 \$20,000.00 and shall forfeit all or a portion of any right to benefits under the
6 provisions of this subchapter, as determined to be appropriate by the
7 Commissioner of Labor or Commissioner of Financial Regulation, as
8 appropriate.

9 § 581. REHIRING; LIMITED RIGHT; SENIORITY AND BENEFITS

10 PROTECTED

11 (a)(1)(A) An employee who is not entitled to job protection pursuant to
12 section 472 of this chapter and is separated from employment in relation to a
13 leave for which he or she receives Family and Medical Leave Insurance
14 benefits pursuant to this subchapter shall have a limited right to be rehired by
15 his or her employer following the conclusion of his or her leave.

16 (B) The employer shall offer the employee the first available suitable
17 position based on the position the employee held at the time his or her leave
18 began.

19 (C) If the employee declines the offer, he or she shall not be entitled
20 to any further employment offers from the employer.

21 (2) An employee shall not be entitled to the rehire rights provided

1 pursuant to the provisions of this section if:

2 (A) the employee fails to inform the employer of:

3 (i) the need for the leave;

4 (ii) his or her interest in being rehired at the conclusion of the
5 leave; and

6 (iii) the date on which his or her leave is anticipated to conclude;

7 (B) the employee had been given notice, or had given notice, prior to
8 providing his or her employer with notice of the leave;

9 (C) the employer can demonstrate by clear and convincing evidence
10 that during the leave, or prior to the employee's reinstatement, the employee's
11 position would have been terminated or the employee laid off for reasons
12 unrelated to the leave or the reason for which the employee took the leave; or

13 (D) the employee has exhausted his or her right to job protection for
14 the leave pursuant to section 472 of this chapter and the federal Family and
15 Medical Leave Act, 29 U.S.C. §§ 2611–2654.

16 (3) An employee's right to be rehired pursuant to the provisions of this
17 section shall expire two years after the date on which his or her leave
18 concluded.

19 (b) Upon being rehired pursuant to the provisions of this section, an
20 employee shall regain any seniority and unused accrued paid leave he or she
21 was entitled to prior to the leave, less any accrued paid leave used during the

1 leave.

2 (c) Nothing in this section shall be construed to diminish an employee's
3 rights pursuant to subsection 472(f) of this chapter.

4 (d)(1) An employee aggrieved by an employer's failure to comply with the
5 provisions of this section may bring an action in the Civil Division of the
6 Superior Court in the county where the employment is located for
7 compensatory and punitive damages or equitable relief, including restraint of
8 prohibited acts, restitution of wages or other benefits, reinstatement, costs, and
9 other appropriate relief.

10 (2) A copy of the complaint shall be filed with the Commissioner of
11 Labor.

12 (3) The court shall award reasonable attorney's fees to the employee if
13 he or she prevails.

14 § 582. PROTECTION FROM RETALIATION OR INTERFERENCE

15 (a) An employer shall not discharge or in any other manner retaliate against
16 an employee who exercises or attempts to exercise his or her rights under this
17 subchapter. The provisions against retaliation in subdivision 495(a)(8) of this
18 title shall apply to this subchapter.

19 (b) An employer shall not interfere with, restrain, or otherwise prevent an
20 employee from exercising or attempting to exercise his or her rights pursuant
21 to this subchapter.

1 (c) An employee aggrieved by a violation of the provisions of this
2 subchapter may bring an action in Superior Court seeking compensatory and
3 punitive damages or equitable relief, including restraint of prohibited acts,
4 restitution of wages or other benefits, reinstatement, costs, reasonable
5 attorney's fees, and other appropriate relief.

6 § 583. CONFIDENTIALITY OF INFORMATION

7 (a) Information obtained from an employer or individual in the
8 administration of this subchapter and determinations of an individual's right to
9 receive benefits that reveal an employer's or individual's identity in any
10 manner shall be kept confidential and, to the extent that such information is
11 obtained by the State, shall be exempt from public inspection and copying
12 under the Public Records Act. Such information shall not be admissible as
13 evidence in any action or proceeding other than one brought pursuant to the
14 provisions of this subchapter.

15 (b) Notwithstanding subsection (a) of this section:

16 (1) an individual or his or her duly authorized agent may be provided
17 with information to the extent necessary for the proper presentation of his or
18 her claim for benefits or to inform him or her of his or her existing or
19 prospective rights to benefits; and

20 (2) an employer may be provided with information that the
21 Commissioner of Financial Regulation, of Labor, or of Taxes determines is

1 necessary to enable the employer to discharge fully its obligations and protect
2 its rights under this subchapter.

3 § 584. RULEMAKING

4 (a) The Commissioner of Taxes shall adopt rules as necessary to implement
5 the provisions of section 574 of this subchapter. The rules adopted by the
6 Commissioner of Taxes shall include:

7 (1) procedures for the collection of contributions;

8 (2) reporting and record-keeping requirements for employers; and

9 (3) requirements for forms related to enrollment in medical leave
10 coverage and discontinuance of medical leave coverage.

11 (b) The Commissioner of Financial Regulation shall adopt rules as
12 necessary to implement the provisions of section 577 of this subchapter. The
13 rules adopted by the Commissioner of Financial Regulation shall include
14 requirements and criteria for the approval of an employer's alternative
15 insurance or benefit plan pursuant to section 577 of this subchapter and for
16 determining whether a proposed plan provides benefits that are equivalent to or
17 more generous than the benefits provided pursuant to this subchapter.

18 (c)(1) The Commissioner of Labor shall adopt rules as necessary to
19 implement all other provisions of this subchapter. The rules adopted by the
20 Commissioner of Labor shall include:

21 (A) acceptable documentation for demonstrating eligibility for

1 benefits;

2 (B) requirements for providing certification from a health care
3 provider of the need for family care leave or medical leave that are modeled on
4 the federal rules governing certification of a serious health condition under the
5 Family and Medical Leave Act;

6 (C) requirements for obtaining authorization for an individual's
7 health care provider to disclose information necessary to make a determination
8 of the individual's eligibility for benefits;

9 (D) procedures for appeals pursuant to subsection 579(b) of this
10 subchapter; and

11 (E) rules to permit an employee to authorize the Department, in
12 compliance with all applicable provisions of federal law, to disclose
13 unemployment insurance information to the insurance carrier as necessary to
14 determine if the employee meets the requirements to be a qualified employee
15 as defined pursuant to subdivision 571(10) of this subchapter.

16 (2) The Commissioner of Labor shall create a form that will permit an
17 employee to provide informed consent for the Department to disclose
18 unemployment insurance information to the insurance carrier as necessary to
19 determine if the employee meets the requirements to be a qualified employee
20 as defined pursuant to subdivision 571(10) of this subchapter. The form shall
21 satisfy all applicable requirements under federal law.

1 § 585. FAMILY AND MEDICAL LEAVE INSURANCE SPECIAL FUND

2 The Family and Medical Leave Insurance Special Fund is created pursuant
3 to 32 V.S.A. chapter 7, subchapter 5. The Fund shall consist of contributions
4 collected from employers pursuant to section 574 of this subchapter. The Fund
5 may be expended by the Commissioner of Taxes for the payment of premiums
6 related to the Family and Medical Leave Insurance Program and by the
7 Commissioners of Financial Regulation, of Labor, and of Taxes for the
8 administration of the Family and Medical Leave Insurance Program. All
9 interest earned on Fund balances shall be credited to the Fund.

10 Sec. 3. 21 V.S.A. § 586 is added to read:

11 § 586. OVERPAYMENT OF BENEFITS; COLLECTION

12 (a)(1) Any individual who by nondisclosure or misrepresentation of a
13 material fact, by him or her or by another person, has received Family and
14 Medical Leave Insurance benefits when he or she failed to fulfill a requirement
15 for the receipt of benefits pursuant to this chapter or while he or she was
16 disqualified from receiving benefits pursuant to section 578 of this chapter
17 shall be liable to repay to the Commissioner of Labor the amount received.

18 (2) Upon determining that an individual has received benefits under this
19 chapter that he or she was not entitled to, the Commissioner of Labor shall
20 provide the individual with notice of the determination. The notice shall
21 include a statement that the individual is liable to repay to the Commissioner

1 the amount of overpaid benefits and shall identify the basis of the overpayment
2 and the time period in which the benefits were paid.

3 (3) The determination shall be made within not more than three years
4 after the date of the overpayment.

5 (b)(1) An individual liable under this section shall repay the overpaid
6 amount to the Commissioner for deposit into the Family and Medical Leave
7 Insurance Special Fund.

8 (2) If the Commissioner finds that the individual intentionally
9 misrepresented or failed to disclose a material fact with respect to his or her
10 claim for benefits, in addition to the repayment under subdivision (1) of this
11 subsection, the person shall pay an additional penalty of 15 percent of the
12 amount of the overpaid benefits, which shall also be deposited into the Fund.

13 (3) The Commissioner may collect the amounts due under this section in
14 civil action in the Superior Court.

15 (c) If an individual is liable to repay any amount pursuant to this section,
16 the Commissioner may withhold, in whole or in part, any future benefits
17 payable to the individual pursuant to this chapter and credit the withheld
18 benefits against the amount due from the individual until it is repaid in full,
19 less any penalties assessed under subdivision (b)(2) of this section.

20 (d) In addition to the remedy provided pursuant to this section, an
21 individual who intentionally misrepresented or failed to disclose a material fact

1 with respect to his or her claim for benefits may be subject to the penalties
2 provided pursuant to section 580 of this title.

3 Sec. 4. ADOPTION OF RULES

4 (a) Not later than 215 calendar days after the effective date of this act, the
5 Commissioner of Taxes shall adopt rules necessary to implement the
6 provisions of 21 V.S.A. § 574, which shall include:

7 (1) procedures for the collection of contributions;

8 (2) reporting and record-keeping requirements for employers; and

9 (3) requirements for forms related to enrollment in medical leave
10 coverage and discontinuance of medical leave coverage.

11 (b) Not later than 215 calendar days after the effective date of this act, the
12 Commissioner of Financial Regulation shall adopt rules as necessary to
13 implement the provisions of 21 V.S.A. § 577. The rules adopted by the
14 Commissioner of Financial Regulation shall include requirements and criteria
15 for the approval of an employer's alternative insurance or benefit plan pursuant
16 to 21 V.S.A. § 577 and for determining whether a proposed plan provides
17 benefits that are equivalent to or more generous than the benefits provided
18 pursuant to 21 V.S.A. chapter 5, subchapter 13.

19 (c) Not later than one year after the effective date of this act, the
20 Commissioner of Labor shall adopt rules necessary to implement all other
21 provisions of 21 V.S.A. chapter 5, subchapter 13, which shall include:

1 (1) acceptable documentation for demonstrating eligibility for benefits;

2 (2) requirements for providing certification from a health care provider

3 of the need for family care leave or medical leave that are modeled on the

4 federal rules governing certification of a serious health condition under the

5 Family and Medical Leave Act;

6 (3) requirements for obtaining authorization for an individual's health

7 care provider to disclose information necessary to make a determination of the

8 individual's eligibility for benefits;

9 (4) procedures for appealing a decision pursuant to 21 V.S.A. § 579(b);

10 (5) the establishment of the existence of an in loco parentis relationship

11 between an employee and another individual; and

12 (6) rules to permit an employee to authorize the Department, in

13 compliance with all applicable provisions of federal law, to disclose

14 unemployment insurance information to the insurance carrier as necessary to

15 determine if the employee meets the requirements to be a qualified employee

16 as defined pursuant to subdivision 571(10) of this chapter.

17 Sec. 5. EDUCATION AND OUTREACH

18 (a) Not later than one year after the effective date of this act, the

19 Commissioner of Labor shall develop and make available on the Department

20 of Labor's website:

21 (1) information and materials to educate and inform employers and

1 employees about the Family and Medical Leave Insurance Program established
2 pursuant to 21 V.S.A. chapter 5, subchapter 13; and

3 (2) a model poster providing notice of the provisions of 21 V.S.A.
4 chapter 5, subchapter 13.

5 (b) On or before June 15, 2022, an employer shall provide written notice of
6 the provisions of 21 V.S.A. chapter 5, subchapter 13 to each employee who
7 was employed by the employer on June 1, 2022.

8 Sec. 6. ESTABLISHMENT OF FAMILY AND MEDICAL LEAVE

9 INSURANCE PROGRAM; EXPENDITURES FROM SPECIAL

10 FUND

11 The Commissioner of Finance and Management may, pursuant to 32 V.S.A.
12 § 588(4)(C), issue warrants for expenditures from the Family and Medical
13 Leave Insurance Special Fund necessary to establish the Family and Medical
14 Leave Insurance Program in anticipation of the receipt of contributions
15 submitted pursuant to 21 V.S.A. §§ 573 and 574.

16 Sec. 7. ADEQUACY OF RESERVES; REPORT

17 Annually, on or before January 15, 2023, 2024, and 2025, the
18 Commissioner of Labor, in consultation with the Commissioners of Finance
19 and Management, of Financial Regulation, and of Taxes, shall submit a written
20 report to the House Committees on Appropriations, on General, Housing, and
21 Military Affairs, and on Ways and Means and the Senate Committees on

1 Appropriations, on Economic Development, Housing and General Affairs, and
2 on Finance regarding the amount and adequacy of the reserves in the Family
3 and Medical Leave Insurance Special Fund and any recommendations for
4 legislative action necessary to ensure that an adequate reserve is maintained in
5 the Fund.

6 Sec. 8. 21 V.S.A. § 471 is amended to read:

7 § 471. DEFINITIONS

8 As used in this subchapter:

9 (1) “Employer” means an individual, organization ~~or~~, governmental
10 body, partnership, association, corporation, legal representative, trustee,
11 receiver, trustee in bankruptcy, and any common carrier by rail, motor, water,
12 air or express company doing business in or operating within this State ~~which~~
13 ~~for the purposes of parental leave~~ that employs 10 or more individuals who are
14 employed for an average of at least 30 hours per week during a year ~~and for the~~
15 ~~purposes of family leave employs 15 or more individuals for an average of at~~
16 ~~least 30 hours per week during a year.~~

17 * * *

18 (3) “Family leave” means a leave of absence from employment by an
19 employee who works for an employer ~~which~~ that employs ~~15~~ 10 or more
20 individuals who are employed for an average of at least 30 hours per week
21 during the year for one of the following reasons:

1 (A) the serious illness of the employee; ~~or~~

2 (B) the serious illness of the employee's ~~child, stepchild or ward who~~
3 ~~lives with the employee, foster child, parent, spouse or parent of the~~
4 ~~employee's spouse~~ family member;

5 (4) ~~“Parental leave” means a leave of absence from employment by an~~
6 ~~employee who works for an employer which employs 10 or more individuals~~
7 ~~who are employed for an average of at least 30 hours per week during the year~~
8 ~~for one of the following reasons:~~

9 (C) the employee's pregnancy;

10 ~~(A)~~(D) the birth of the employee's child; or

11 ~~(B)~~(E) the initial placement of a child ~~16~~ 18 years of age or younger
12 with the employee for the purpose of adoption or foster care.

13 (4) “Family member” means:

14 (A) the employee's child or foster child;

15 (B) a step child or ward who lives with the employee;

16 (C) the employee's spouse, domestic partner, or civil union partner;

17 (D) the employee's parent or the parent of the employee's spouse,

18 domestic partner, or civil union partner;

19 (E) the employee's sibling;

20 (F) the employee's grandparent;

21 (G) the employee's grandchild; or

1 ~~employee who lives with the employee, foster child, parent, spouse, or parent~~
2 ~~of the employee's spouse~~ family member.

3 (b) During the leave, at the employee's option, the employee may use
4 accrued sick leave ~~or~~, vacation leave ~~or~~, any other accrued paid leave, ~~not to~~
5 ~~exceed six weeks~~ Family and Medical Leave Insurance benefits pursuant to
6 subchapter 13 of this chapter, or short-term disability insurance or other
7 insurance benefits. ~~Utilization~~ Use of accrued paid leave, Family and Medical
8 Leave Insurance benefits, or other insurance benefits shall not extend the leave
9 provided ~~herein~~ by this section.

10 * * *

11 (d) The employer shall post and maintain in a conspicuous place in and
12 about each of ~~his or her~~ its places of business printed notices of the provisions
13 of this subchapter on forms provided by the Commissioner of Labor.

14 (e)(1) An employee shall give his or her employer reasonable written
15 notice of intent to take family leave under this subchapter. Notice shall include
16 the date the leave is expected to commence and the estimated duration of the
17 leave.

18 (2) In the case of the adoption or birth of a child, an employer shall not
19 require that notice be given more than six weeks prior to the anticipated
20 commencement of the leave.

21 (3) In the case of an unanticipated serious illness or premature birth, the

1 employee shall give the employer notice of the commencement of the leave as
2 soon as practicable.

3 (4) In the case of serious illness of the employee or a member of the
4 employee's family, an employer may require certification from a physician to
5 verify the condition and the amount and necessity for the leave requested.

6 (5) An employee may return from leave earlier than estimated upon
7 approval of the employer.

8 (6) An employee shall provide reasonable notice to the employer of his
9 or her need to extend the leave to the extent provided by this chapter.

10 * * *

11 (h) Except for a serious illness of the employee, an employee who does not
12 return to employment with the employer who provided the family leave shall
13 return to the employer the value of any compensation paid to or on behalf of
14 the employee during the leave, except payments of Family and Medical Leave
15 Insurance benefits and payments for accrued sick leave ~~or~~, vacation leave, or
16 other paid leave. An employer may elect to waive the rights provided pursuant
17 to this subsection.

18 Sec. 10. 21 V.S.A. § 1344 is amended to read:

19 § 1344. DISQUALIFICATIONS

20 (a) An individual shall be disqualified for benefits:

21 * * *

1 the individual's employment was terminated as a result of the reinstatement of
2 the other employee following his or her leave under chapter 5, subchapter 13
3 of this title.

4 * * *

5 Sec. 12. SELF-EMPLOYED INDIVIDUAL; OPT-IN; REPORT

6 On or before January 15, 2023, the Commissioner of Labor, in consultation
7 with the insurance carrier that the State has contracted with, if any, and the
8 Commissioners of Financial Regulation and of Taxes, shall submit a written
9 report to the House Committee on General, Housing, and Military Affairs and
10 the Senate Committee on Economic Development, Housing and General
11 Affairs regarding the potential for permitting self-employed individuals to elect
12 to obtain coverage through the Family and Medical Leave Insurance Program.
13 In particular, the report shall examine the experience of other states that allow
14 self-employed individuals to obtain coverage under their family and medical
15 leave insurance programs, and the potential impact of permitting self-
16 employed individuals to elect to obtain coverage through the Family and
17 Medical Leave Insurance Program on the Program, contribution rates, and
18 administrative costs. The report shall also include a recommendation for
19 legislative action necessary to permit self-employed individuals to elect to
20 obtain coverage through the Family and Medical Leave Insurance Program.

1 Sec. 13. POTENTIAL TRANSITION TO STATE-OPERATED FAMILY
2 AND MEDICAL LEAVE INSURANCE PROGRAM; REPORT

3 On or before January 15, 2025, the Commissioner of Labor, in consultation
4 with the Commissioners of Financial Regulation and of Taxes, shall report to
5 the House Committee on General, Housing, and Military Affairs and the
6 Senate Committee on Economic Development, Housing and General Affairs
7 regarding the potential for transitioning the Family and Medical Leave
8 Insurance Program to a program that is fully administered and operated by the
9 State. The report shall identify the potential costs to the State of such a
10 transition and the amount of time necessary to successfully accomplish the
11 transition, as well as the expected impacts on contribution rates, administrative
12 efficiency, and the experience of employers and employees. The report shall
13 also examine and contrast the potential benefits and drawbacks of ensuring the
14 solvency of a program that is fully administered and operated by the State by
15 either maintaining a reserve or obtaining reinsurance. The report shall include
16 a recommendation regarding whether the Family and Medical Leave Insurance
17 Program should transition to a program that is fully administered and operated
18 by the State.

19 Sec. 14. 3 V.S.A. § 638 is added to read:

20 § 638. FAMILY AND MEDICAL LEAVE INSURANCE

21 (a) All State employees shall be provided with family and medical leave

1 insurance that satisfies the requirements of 21 V.S.A. chapter 5, subchapter 13.

2 (b) The State shall bargain with the appropriate collective bargaining
3 representative for each bargaining unit of State employees to determine:

4 (1) whether State employees will be covered by the Family and Medical
5 Leave Insurance Program or an alternative insurance or benefit plan
6 established pursuant to 21 V.S.A. § 577;

7 (2) if the State employees will be covered by the Family and Medical
8 Leave Insurance Program, the portion of the contribution rate established
9 pursuant to 21 V.S.A. § 573 that the State and the employees will be
10 responsible for; and

11 (3) if the State employees will be covered by an alternative insurance or
12 benefit plan established pursuant to 21 V.S.A. § 577, the cost of the program to
13 the employees, and the length of leave and level of wage replacement that the
14 employees will be eligible for.

15 (c)(1) The contribution rate determined pursuant to subdivision (b)(2) of
16 this section or the cost of the plan to the employees determined pursuant to
17 subdivision (b)(3) of this section shall be the same for all State employees,
18 regardless of whether the employees are permitted to collectively bargain
19 pursuant to 3 V.S.A. chapter 27 or 28.

20 (2) The length of leave and level of wage replacement determined
21 pursuant to subdivision (b)(3) of this section shall be the same for all State

1 employees, regardless of whether the employees are permitted to collectively
2 bargain pursuant to 3 V.S.A. chapter 27 or 28.

3 (3) Notwithstanding subdivisions (1) and (2) of this subsection, the
4 sworn Vermont State Police Officers below the rank of Lieutenant shall not be
5 required to have the same rate of contribution or the same cost of the plan,
6 length of leave, and level of wage replacement as other State employees.

7 Sec. 15. REQUEST FOR INFORMATION; REQUEST FOR PROPOSALS;
8 REPORTS

9 (a) For calendar year 2021, not later than 15 calendar days after the request
10 for information is issued pursuant to 21 V.S.A. § 572, the Commissioner of
11 Financial Regulation shall submit a copy of the request for information to the
12 House Committees on Appropriations, on General, Housing, and Military
13 Affairs, and on Ways and Means and the Senate Committees on
14 Appropriations, on Economic Development, Housing and General Affairs, and
15 on Finance.

16 (b) For calendar year 2021, not later than 15 calendar days after the request
17 for information is due pursuant to 21 V.S.A. § 572, the Commissioner of
18 Finance shall submit a brief summary of the responses to the request for
19 information together with copies of all the responses to the House Committees
20 on Appropriations, on General, Housing, and Military Affairs, and on Ways
21 and Means and the Senate Committees on Appropriations, on Economic

1 Development, Housing and General Affairs, and on Finance. The
2 Commissioner of Financial Regulation may redact confidential business
3 information from the copies of the responses to the request for information
4 before submitting them.

5 (c) For calendar year 2021, not later than 15 calendar days after the request
6 for proposals is issued pursuant to 21 V.S.A. § 572, the Commissioner of
7 Financial Regulation shall submit a copy of the request for proposals to the
8 House Committees on Appropriations, on General, Housing, and Military
9 Affairs, and on Ways and Means and the Senate Committees on
10 Appropriations, on Economic Development, Housing and General Affairs, and
11 on Finance.

12 (d) For calendar year 2021, not later than 15 calendar days after the
13 Commissioner of Financial Regulation selects an insurance carrier pursuant to
14 21 V.S.A. § 572, the Commissioner of Financial Regulation shall submit a
15 written report summarizing the outcome of the request for proposal process to
16 the House Committees on Appropriations, on General, Housing, and Military
17 Affairs, and on Ways and Means and the Senate Committees on
18 Appropriations, on Economic Development, Housing and General Affairs, and
19 on Finance.

20 Sec. 16. PLAN FOR STATE OPERATION OF FAMILY AND MEDICAL
21 LEAVE INSURANCE PROGRAM; REPORT

1 In the event that the Commissioner of Financial Regulation is unable to
2 secure a suitable insurance carrier to provide paid family and medical leave
3 insurance pursuant to the provisions of 21 V.S.A. § 572(b), the Commissioner
4 of Labor, in consultation with the Commissioners of Financial Regulation and
5 of Taxes, shall, not later than 60 calendar days after the deadline to select an
6 insurance carrier pursuant to 21 V.S.A. § 572, submit a written report outlining
7 a plan for the State to operate the Family and Medical Leave Insurance
8 Program to the House Committees on Appropriations, on General, Housing,
9 and Military Affairs, and on Ways and Means and the Senate Committees on
10 Appropriations, on Economic Development, Housing and General Affairs, and
11 on Finance. The report shall include a detailed explanation of how the State
12 will implement Family and Medical Leave Insurance Program and carry out
13 the requirements of 21 V.S.A. chapter 5, subchapter 13, including specific
14 details and requirements related to staffing, information technology
15 development, the development of rules and procedures, ensuring adequate
16 reserves in the Family and Medical Leave Insurance Special Fund, and, if
17 appropriate, the utilization of one or more third-party administrators. The
18 report shall also include a recommendation for any legislative action necessary
19 for the State to successfully implement the Family and Medical Leave
20 Insurance Program.

1 (8) to the Attorney General, the Data Clearinghouse established in the
2 October 2017 Non-Participating Manufacturer Adjustment Settlement
3 Agreement, which the State of Vermont joined in 2018, the National
4 Association of Attorneys General, and counsel for the parties to the Agreement
5 as required by the Agreement and to the extent necessary to comply with the
6 Agreement and only as long as the State is a party thereto; and

7 (9) to the Commissioner of Financial Regulation, the Commissioner of
8 Labor, or the private insurance carrier contracted with by the Commissioner of
9 Financial Regulation pursuant to 21 V.S.A. § 572, provided the information is
10 related to the administration of the Family and Medical Leave Insurance
11 Program created pursuant to 21 V.S.A. chapter 5, subchapter 13.

12 * * *

13 Sec. 19. 21 V.S.A. § 1314 is amended to read:

14 § 1314. REPORTS AND RECORDS; SEPARATION INFORMATION;
15 DETERMINATION OF ELIGIBILITY; FAILURE TO REPORT
16 EMPLOYMENT INFORMATION; DISCLOSURE OF
17 INFORMATION TO OTHER STATE AGENCIES TO
18 INVESTIGATE MISCLASSIFICATION OR MISCODING

19 * * *

20 (e)(1) Subject to such restrictions as the Board may ~~by regulation~~ prescribe
21 by rule, information from unemployment insurance records may be made

1 available to any public officer or public agency of this or any other state or the
2 federal government dealing with the administration or regulation of relief,
3 public assistance, unemployment compensation, a system of public
4 employment offices, wages and hours of employment, workers' compensation,
5 misclassification or miscoding of workers, occupational safety and health, or a
6 public works program for purposes appropriate to the necessary operation of
7 those offices or agencies. The Commissioner may also make information
8 available to colleges, universities, and public agencies of the State for use in
9 connection with research projects of a public service nature, and to the
10 Vermont Economic Progress Council with regard to the administration of
11 32 V.S.A. chapter 105, subchapter 2; but no person associated with those
12 institutions or agencies may disclose that information in any manner that
13 would reveal the identity of any individual or employing unit from or
14 concerning whom the information was obtained by the Commissioner.

15 * * *

16 (8)(A) The Department of Labor shall disclose, upon request, to the
17 insurance carrier that the Commissioner of Financial Regulation has contracted
18 with to operate the Family and Medical Leave Insurance Program pursuant to
19 section 572 of this title, any information in its records related to an identified
20 individual that is necessary for the purpose of determining the individual's
21 eligibility for Family and Medical Leave Insurance benefits pursuant to chapter

1 5, subchapter 13 of this title.

2 (B) The Commissioner shall enter into an agreement with the
3 insurance carrier that governs the use of the disclosed information and
4 complies with all requirements of 20 C.F.R. § 603.10.

5 (C) The information requested shall not be released unless the
6 individual to whom the requested information relates has signed a consent
7 form, approved by the Commissioner, that permits the release of the requested
8 information.

9 (D) The requested information shall not be released unless the
10 insurance carrier agrees to reimburse the Department of Labor for the costs
11 involved in furnishing the requested information.

12 * * *

13 Sec. 20. POTENTIAL TRANSITION TO MANDATORY COVERAGE FOR
14 MEDICAL LEAVE FOR AN EMPLOYEE'S OWN SERIOUS
15 ILLNESS; REPORT

16 (a) On or before January 15, 2022, the Commissioner of Labor, in
17 consultation with the Commissioners of Financial Regulation and of Taxes,
18 shall report to the House Committee on General, Housing, and Military Affairs
19 and the Senate Committee on Economic Development, Housing and General
20 Affairs regarding the potential for transitioning, not later than July 1, 2024,
21 from voluntary, opt-in coverage for medical leave to mandatory coverage for

1 medical leave for all employees. The report shall examine:

2 (1) the potential cost of such a transition;

3 (2) the potential impacts on contribution rates, administrative efficiency,
4 and the experience of employers and employees;

5 (3) any projected changes in the usage of Family and Medical Leave
6 Insurance benefits; and

7 (4) any potential changes to the agreement between the State and the
8 private insurance carrier that the State has contracted with pursuant to
9 21 V.S.A. § 572 that the transition may make necessary.

10 (b) The report shall include a detailed description of any legislative
11 changes that would be necessary to accomplish the transition.

12 (c) As used in this section:

13 (1) “Employee” has the same meaning as in 21 V.S.A. § 571(4).

14 (2) “Medical leave” has the same meaning as in 21 V.S.A. § 571(9).

15 Sec. 21. STATE PLAN FOR FAMILY AND MEDICAL LEAVE

16 INSURANCE

17 (a) Notwithstanding any provision of 21 V.S.A. § 577 to the contrary, the
18 paid family and medical leave program agreed to by the State and its collective
19 bargaining units shall be deemed to provide benefits that are equivalent to the
20 benefits provided pursuant to 21 V.S.A. chapter 5, subchapter 13.

21 (b) Notwithstanding any provision of 3 V.S.A. § 638(b) to the contrary, the

1 State and its collective bargaining units shall not be required to conduct
2 negotiations pursuant to 3 V.S.A. § 638(b) for purposes of the collective
3 bargaining agreements that take effect on July 1, 2022.

4 Sec. 22. EFFECTIVE DATES

5 (a) This section and Secs. 1, 2, 4, 5, 6, 12, 13, 14, 15, 16, 17, 18, 19, 20,
6 and 21 shall take effect on passage.

7 (b) Secs. 3 and 7 shall not take effect until January 1, 2022, and shall not
8 take effect at all if the Commissioner of Financial Regulation secures a suitable
9 insurance carrier to provide paid family and medical leave insurance pursuant
10 to the provisions of 21 V.S.A. § 572(b).

11 (c) Secs. 8, 9, 10, and 11 shall take effect on the date upon which
12 employees may begin receiving benefits pursuant to subsection (d) of this
13 section.

14 (d)(1)(A) If the Commissioner of Financial Regulation selects a private
15 insurance carrier pursuant to 21 V.S.A. § 572 on or before September 1, 2021,
16 contributions shall begin being withheld pursuant to 21 V.S.A. §§ 573 and 574
17 on January 1, 2022, and, beginning on July 1, 2022, employees may begin to
18 receive benefits pursuant to 21 V.S.A. chapter 5, subchapter 13.

19 (B) If the Commissioner of Financial Regulation selects a private
20 insurance carrier pursuant to 21 V.S.A. § 572 after September 1, 2021,
21 contributions shall begin being withheld pursuant to 21 V.S.A. §§ 573 and 574

1 on April 1, 2022, and, beginning on October 1, 2022, employees may begin to
2 receive benefits pursuant to 21 V.S.A. chapter 5, subchapter 13.

3 (C) Notwithstanding subdivisions (A) and (B) of this subdivision
4 (d)(1), if the Commissioner of Financial Regulation is unable to secure a
5 private insurance carrier pursuant to 21 V.S.A. § 572, contributions shall begin
6 being withheld pursuant to 21 V.S.A. §§ 573 and 574 on July 1, 2022, and,
7 beginning on July 1, 2023, employees may begin to receive benefits pursuant
8 to 21 V.S.A. chapter 5, subchapter 13.

9 (2) In order to permit employers and collective bargaining
10 representatives to negotiate regarding the employer's and employees' shares of
11 the contribution rate and whether the employer will provide benefits through
12 an alternative plan established pursuant to 21 V.S.A. § 577, an employer that is
13 subject to a collective bargaining agreement shall not be required to withhold
14 contributions or be subject to the provisions of 21 V.S.A. chapter 5, subchapter
15 13 until the earlier of:

16 (A) the effective date of the next collective bargaining agreement
17 after the date when contributions are required to begin being withheld pursuant
18 to subdivision (1) of this subsection; or

19 (B) the effective date of a supplement to or provision of an existing
20 collective bargaining agreement that specifically addresses the provisions of
21 21 V.S.A. chapter 5, subchapter 13.