

More Earned Sick Time, and Paid Family Leave Plans

Senate Economic Development Committee

Joyce Manchester

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Outline of work to come

Part 1: Paid sick days in Vermont: now 5, estimated cost if 10

- a) If all medical leave
- b) If just Covid-related leave

Part 2: Paid Family and Medical Leave

- a) Use ARPA funds to pay for 4 years, all Vermonters in Governor's plan
- b) Cost to State if Governor paid for all full-time workers in Vermont to join with State employees



Part 1: Earned Sick Time Law

Brief description



What does the Earned Sick Time Law do?

- The law entitles Vermont employees to earn up to 40 hours per year of paid leave after January 1, 2019, to address certain personal and family needs. The number of hours to which an employee is entitled is related to the number of hours worked.
- Employees can accrue time as they work or can be provided with a lump sum on a yearly basis. One hour of sick time is accrued for every 52 hours of actual work, including overtime.
- An eligible employee meets all the following criteria:
 - Is age 18 or over;
 - Works an average of 18 or more hours per week during the year; and
 - Is expected to work more than 20 weeks in a 12-month period.



What is the estimated cost of increasing earned sick time from 5 days to 10 days per year?

- Cost to the State arising from State employees?
- The State currently does not pay private employers to provide earned sick time
 - An “unfunded mandate”
 - Does the Department of Labor keep track of how much Earned Sick Time is used, and at what hourly wage rate?



Part 2: Paid Family and Medical Leave

Brief description



a) Use ARPA funds to pay for 4 years, with all Vermonters in the Governor's plan

- Would this be an eligible use of ARPA State Fiscal Recovery Funds?
 - Replace lost public sector revenue
 - Respond to the public health and negative economic impacts of the pandemic
 - Provide premium pay for essential workers
 - Invest in water, sewer, and broadband infrastructure



b) Cost to State if Governor paid for all full-time workers in Vermont to join with State employees

If Vermont's plan is like the Granite State Paid Family Leave Act (Mercer):

- Employers will contract directly with the insurance carrier
 - Private and public nonstate employers will receive a premium rate derived from the state's rate by applying actuarially justified rating factors
 - Private employers must have more than 50 employees
- Employees whose employers don't opt into or qualify to participate in the program
 - Will be able to enroll through a purchasing pool during a 60-day annual open-enrollment window established by the State.
 - Coverage will be subject to a seven-month waiting period for benefits eligibility and a one-week elimination period for claim payments to begin.
 - The purchasing pool may be experience rated.
 - Weekly premiums will be capped at \$5 per employee.
 - The maximum employee premium would be $5 * 52 = \$260$ per year.



b) New Hampshire plan, continued

- Eligible leave will include
 - bond with a new child,
 - care for a seriously ill family member,
 - tend to a covered seriously ill or injured service member who is next of kin, or
 - handle a [military exigency](#) covered by the federal [Family and Medical Leave Act](#) (FMLA).
- Leave for a serious health condition (medical leave) may be available to employees of private or nonstate employees whose employers do not provide a short-term disability plan.
- Maximum duration of benefits is 6 weeks per year
- Benefit = 60 percent of worker's average weekly wage, with wages capped at the Social Security taxable maximum (2022: \$147,000; 60% = \$88,200)

