

Sec. 1. Amends 21 V.S.A. § 471 (Eff. July 1, 2023)

- Added definition of bereavement leave
- Spelled out definition of domestic partnership
- Amended definition of employer to cover bereavement leave and qualifying exigency leave for employers with 10 or more employees that work an average of 30hrs/wk
- Added definition of qualifying exigency leave (leave related to active duty in Armed Forces) that is consistent with federal Family and Medical Leave Act
- Added attendance at hearing regarding an order against stalking or sexual assault to safe leave reasons
- Added definition of U.S. Armed Forces because of addition of qualifying exigency leave

Sec. 2. Amends 21 V.S.A. § 472 (Eff. July 1, 2023)

- Added leave for a qualifying exigency (max 12 wks) and bereavement leave (max 2 wks) to existing parental and family leave
 - Total combined leave cannot exceed 12wks/yr
- Added death of family member and short-notice qualifying exigencies to types of leave for which notice can be provided “as soon as practicable.”
- Added list of documentation that may be provided for bereavement leave and qualifying exigency leave

Sec. 3. Amends 21 V.S.A. § 472c (Eff. July 1, 2023)

- New section
- Repeals language providing leave to attend hearing against stalking or sexual assault because that language is now covered under safe leave definition in Sec. 1

Sec. 4. Amends 21 V.S.A. § 471 (Eff. July 1, 2026)

- Amended definition of employee so that employees who qualify for Paid Leave benefits are eligible for job-protected leave
- Changed effective date of section from October 1, 2026 to July 1, 2026

Sec. 5. Amends 21 V.S.A. § 473 (Eff. July 1, 2026)

- Changed effective date of section from October 1, 2026 to July 1, 2026

Sec. 6. Adds 21 V.S.A. ch. 26: Family and Medical Leave Insurance**21 V.S.A. § 2051. Division of Family and Medical Leave; Director****21 V.S.A. § 2052. Family and Medical Leave Insurance Program; Special Fund**

- Technical changes to special fund language
- Updated fund contents language to account for transfer of State funds from other accounts and accrual of interest

Changes made by House Ways and Means Amendment

21 V.S.A. § 2053. Contributions; Rate; Collection

- Established that initial rate of contributions (0.55%) applies from 7/1/25-12/31/25
- Clarified language regarding responsibility for employee and self-employed contributions
- Clarified that Division will determine tax rate beginning 1/1/26
- Changed reserve from 75% of projected benefits to 50% of projected benefits and administrative costs

21 V.S.A. § 2054. Benefits

- Specified that benefits become available on 7/1/26
- Changed wage replacement rate from 100% to 90%
 - Max of ~\$1,135/week is unchanged

21 V.S.A. § 2055. Eligibility

- Specified that eligible leaves must begin on or after 7/1/26
- Clarified that individual must be a current employee or currently enrolled self-employed individual
- Require employees to have either made contributions in 2 quarters of last calendar year or, if insufficient contributions in last calendar year, provide documentation of contributions in 2 of last 4 calendar quarters
- Added leave for qualifying exigency to permissible reasons for leave (inadvertently omitted in House General version)

21 V.S.A. § 2056. Application for Benefits

- Extended time to review application from 5 to 10 business days
- Extended time by which review period can be extended from 15 to 30 additional business days if further documentation is required to approve leave
- Added language permitting applicants denied benefits due to insufficient information/documentation to reapply with additional information/documentation within time period for filing application

21 V.S.A. § 2057. Payment of Benefits; Tax Withholding**21 V.S.A. § 2058. Elective Coverage**

- Clarified that enrolled self-employed individuals become eligible for benefits after paying contributions in 2 calendar quarters in a 4-calendar-quarter period

21 V.S.A. § 2059. Employer Option; Private Plan

- Added language permitting employees who cease to be covered by private plan because of (1) layoff/end of seasonal employment; (2) termination of plan by employer; or (3) employer's bankruptcy to be eligible for coverage under State Program

21 V.S.A. § 2060. Appeals**21 V.S.A. § 2061. False Statement or Representation; Penalty**

21 V.S.A. § 2062. Overpayment of Benefits; Collection

21 V.S.A. § 2063. Rulemaking

21 V.S.A. § 2064. Confidentiality of Information

21 V.S.A. § 2065. Disqualifications; Limitations

- Added “limitations” to section heading
- Changed disqualification for receipt of wages or paid leave to language providing that an individual cannot receive benefits and remuneration from employer if it would result in the individual receiving more than (1) average daily wage on any single day, or (2) average weekly wage in any calendar week
- Clarified that employers may supplement individual’s benefits provided they do not earn more on leave than while they were working

21 V.S.A. § 2066. Protection from Retaliation or Interference

21 V.S.A. § 2067. Notice

21 V.S.A. § 2068. Employer Obligations; Employee Rights

- Deleted subsection providing job protection for bereavement leave because job protection now provided through VT Parental and Family Leave Act (Sec. 2)
- Updated cross-reference to Parental and Family Leave Act to include safe leave, qualifying exigency leave, and bereavement leave

21 V.S.A. § 2069. Annual Report

- New section
- Requires Director to annually publish a report on usage of Program and claimant demographics

21 V.S.A. § 2070. Definitions

- Renumbered section
- Updated definition of average weekly earnings so that it is either sum of earnings from prior calendar year divided by 52, or if no earnings in prior calendar year, two highest earning quarters in last 4 completed quarters, divided by 26
- Spelled out definition of domestic partner
- Excluded U.S. Government from definition of employer to address preemption issue
- Replaced old definition of “self-employment income” with new definition of “Net earnings from self-employment” to line up with the Internal Revenue Code definition and intent to exclude overhead costs, personal vacation home rentals, etc. from amount that can be counted for purposes of determining benefits
- Clarified definition of qualifying exigency
- Amended definition of “wages” to include agricultural and domestic workers whose wages were not counted under previous definition.

Sec. 7. Amends 32 V.S.A. § 3102(e)**Sec. 8. Adoption of Rules****Sec. 9. Education and Outreach**

- Added requirement for monthly informational sessions for employers, employees, and self-employed individuals (in-person and online) from 6/1/25 through 5/31/26

Sec. 10. Establishment of Program; Report

- New section
- Added requirement Director and Commissioner of Taxes to provide updates on Program development on 12/15 of 2023, 2024, and 2025

Sec. 11. Adequacy of Reserves; Report

- Moved report dates from January 2026, 2027, 2028, and 2029 to December 2025, 2026, 2027, and 2028
- Added requirement that report include analysis of ways to potentially improve long-term solvency of Fund and ability to accurately determine reserve needed

Sec. 12. Private Plans; Initial Approval

- Moved start date for benefits from October 1, 2026 to January 1, 2026

Sec. 13. Appropriations

- New section
- Added one-time appropriations that apply to FY 24, 25, and 26 for establishment of Program and reserve:
 - \$46,159,585.00 for Division of Family and Medical Leave
 - \$6,504,916.00 for Department of Taxes
 - \$58,810,448.00 for operation of Program and reserve in FY 26

Sec. 14. Department of Taxes; Positions

- New section

Sec. 15. Division of Family and Medical Leave; Positions

- New section

Sec. 16. Department of Buildings and General Services; Space Allocation

- New section
- Requires BGS to allocate space for the new Division.

Sec. 17. Family and Medical Leave Contribution Credit

- New section
- Creates a tax credit for individuals earning less than \$25,000 in wages and self-employment income per year
 - \$40 if \$15,000 or less and \$70 if \$15,001 to \$25,000

Changes made by House Ways and Means Amendment

Sec. 18. Amends 32 V.S.A. § 5813

- New section
- Establishes statutory purpose for tax credit

Sec. 19. Effective Dates

- Moved start date for benefits from October 1, 2026 to July 1, 2026
- Added effective date for tax credit