

## 32-HOUR WORKWEEK OVERVIEW

This bill proposes to establish a 32-hour standard workweek in Vermont by requiring employers to pay overtime (one and one-half times the regular wage rate) for hours worked in excess of 32 hours during a workweek. Currently, overtime is generally required after 40 hours. The bill makes corresponding adjustments to related employment statutes concerning certain healthcare workers, child labor hours, earned sick time accrual, and the state's short-time compensation program to align with the new 32-hour standard.

## BACKGROUND

The standard 40-hour workweek in the United States was largely established by the federal Fair Labor Standards Act (FLSA) of 1938. For decades, this has been the benchmark defining full-time work and the threshold for overtime pay for non-exempt employees. However, there is a growing global conversation and movement exploring the potential benefits of shorter workweeks, often focusing on a 4-day, 32-hour model.

Proponents argue that advancements in technology and changing attitudes towards work-life balance make shorter workweeks feasible and desirable. Pilot programs and studies in various countries and companies have suggested potential benefits including increased productivity per hour, improved employee well-being and retention, reduced burnout, and potential environmental benefits (e.g., less commuting). This proposal considers implementing such a standard statewide in Vermont.

## PROBLEM

The traditional 40-hour workweek model faces several criticisms that this bill implicitly seeks to address:

- **Work-Life Imbalance:** For many workers, a 40-hour week (often longer with commutes) leaves limited time for personal life, family, rest, and other pursuits, potentially leading to stress and burnout.
- **Stagnant Productivity Models:** The focus on hours worked rather than output may not reflect modern work realities where productivity isn't always directly tied to time spent at a desk. Some argue shorter, more focused weeks can yield similar or better results.
- **Worker Well-being:** Long working hours are often linked to negative physical and mental health outcomes. A shorter standard week could contribute to a healthier workforce.
- **Talent Attraction and Retention:** In a competitive labor market, offering a better work-life balance through a shorter standard workweek could make Vermont a more attractive place for workers, aiding recruitment and retention efforts.

## SOLUTION (Bill Specifics)

The bill proposes to establish a 32-hour standard workweek primarily by amending Vermont's overtime law and making related conforming changes:

## 1. Overtime Threshold Change (21 V.S.A. § 384(b)):

- Requires employers to pay employees **one and one-half times their regular wage rate** for any work performed in excess of **32 hours** in a workweek. (Changes from the current 40-hour threshold).
- Existing exemptions from overtime requirements (e.g., for certain salaried executive, administrative, professional employees) would likely still apply based on the nature of the FLSA and state law, but the *standard threshold* for non-exempt workers changes.

## 2. Conforming Amendments:

- **Hospital/Healthcare Biweekly Overtime (21 V.S.A. § 384(b)(4)):** For certain healthcare facilities that elect a biweekly pay period, the overtime threshold changes from 80 hours in a biweekly period to **64 hours** in a biweekly period (consistent with a 32-hour weekly standard). The daily 8-hour threshold remains.
- **Child Labor Hours (<16 years old) (21 V.S.A. § 437(b)):** Reduces the maximum hours a child under 16 can work from 40 hours per week to **32 hours** per week. The daily 8-hour limit remains.
- **Earned Sick Time (21 V.S.A. § 482):**
  - Adjusts the accrual rate: Employees will accrue 1 hour of earned sick time for every **41 hours worked** (previously 1 hour per 52 hours worked). This maintains a similar proportional accrual based on a shorter standard workweek.
  - Adjusts the accrual basis for certain exempt employees: For employees exempt from federal overtime, employers can limit weekly sick time accrual based on a **32-hour** week (previously 40 hours).
  - *Note:* The maximum amount of sick time an employee can *accrue* per year remains capped at 40 hours.
- **Short-Time Compensation Program (21 V.S.A. § 1451(7)):** Changes the definition of "usual weekly hours of work" for this program, capping it at **32 hours** (previously 40 hours) when determining benefits for employees whose hours are reduced to avoid layoffs.

## EFFECTIVE DATE:

The act would take effect on July 1, 2025.

This bill represents a significant shift in the standard definition of a workweek for overtime purposes in Vermont, potentially impacting wages, scheduling, employee benefits accrual, and overall work culture within the state.