

STATE OF VERMONT

As reported at our strategic planning meeting last Saturday, the legislature focused again on **H. 107 Paid Family and Medical Leave Bill** and **S23 Minimum Wage Bill**. Last Thursday versions of both bills passed and will be on their way to the Governor's office for approval. (details below

H.107 Paid Family and Medical Leave, passed the House on Thursday by a vote of 89-58. It is expected that Governor Scott will veto the bill.

This new benefit would be funded with an employee-paid **0.2 percent payroll tax**. Employers can cover the cost in whole or part for their employees. Employers may also apply for exemption from the payroll tax if their plan meets the requirements in the bill. The Commissioner of Financial Regulation will approve of any exemptions., an employee can be exempt from the tax if their employer complies with the requirements in the bill through their own benefit plan.

H.107 benefits:

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

- Up to 12 weeks of benefits for parental bonding leave taken by the employee;
- Up to eight weeks of benefits to care for a family member; and
- Family members include: child or foster child; a stepchild or ward who lives with employee; spouse, domestic partner or civil union partner; parent or parent of the spouse, domestic partner or civil union partner; sibling; grandparent; grandchild.
- Vermonters who earn less than \$7,400 are not eligible for benefits

Temporary Medical Leave for an employee:

An employee may opt into temporary medical leave coverage for themselves and be eligible for up to six weeks of medical leave. The additional cost to employees is a **0.38 percent payroll tax**. Employees can use this benefit once each calendar year.

Determination of reimbursement:

The portion of the employee's average weekly wage that is less than or equal to 55 percent of Vermont's average weekly wage shall be replaced at a rate of 90 percent. The portion of the employee's average weekly wage that is greater than 55 percent of Vermont average weekly wage.

S.23 An act relating to increasing the minimum wage

An agreement to increase the minimum wage to \$12.55 in 2022 passed the House. The agreed-upon bill would increase the minimum wage to \$11.75 on January 1, 2021 and \$12.55 on January 1, 2022.

- Beginning January 1, 2020, the minimum wage will increase to \$11.75
- Beginning January 1, 2022, the minimum will increase to \$12.55
- Each subsequent January 1, the minimum wage rate shall increase by 5% or the percentage increase of the Consumer Price Index, CPI, whichever is smaller.

Although Gov. Scott had promised to veto earlier versions of the bill, he might sign this more modest bill.

Links to all bills:

House bills: <https://legislature.vermont.gov/bill/all-house/2020>

Senate bills: <https://legislature.vermont.gov/bill/all-senate/2020>

House committee assignments can be found by clicking on the following link:

<https://legislature.vermont.gov/committee/list/2020/House-Standing#House-Standing>

Senate committee assignments can be found by clicking on the following link:

<https://legislature.vermont.gov/committee/list/2020/Senate-Standing#Senate-Standing>

For more information about the SHRM Vermont State Council Legislative Employment Law and Legislative Advocacy Update, please contact Donna Austin-Hawley at 802-661-5392 or donna.austin-hawley@nsbvt.com .
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