

1 S.151

2 Introduced by Senators Brock, Benning, Collamore, McNeil, Parent, Starr and
3 Westman

4 Referred to Committee on

5 Date:

6 Subject: Executive; labor; insurance benefits; voluntary paid family leave

7 Statement of purpose of bill as introduced: This bill proposes to enable the
8 Governor to enter into a contract with a private insurance carrier to provide
9 family and medical leave insurance benefits to State employees, which shall
10 also be available to other employers and individuals who elect to enroll in the
11 insurance program.

12 An act relating to the Twin State Voluntary Family and Medical Leave
13 Insurance Plan

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

15 Sec. 1. 3 V.S.A. § 638 is added to read:

16 § 638. FAMILY AND MEDICAL LEAVE INSURANCE

17 (a) All State employees shall be provided with family and medical leave
18 insurance coverage under the Twin State Family and Medical Leave Insurance
19 Plan established pursuant to section 639 of this chapter.

20 (b) Coverage under the Plan shall be provided at no cost to the employee.

1 (c) A State employee shall be eligible to receive family and medical leave
2 insurance benefits pursuant to the Plan after he or she has been employed by
3 the State for 12 months.

4 Sec. 2. 3 V.S.A. § 639 is added to read:

5 § 639. TWIN STATE FAMILY AND MEDICAL LEAVE INSURANCE

6 PLAN

7 (a) The Commissioner of Human Resources shall enter into a contract with
8 an insurance carrier to provide family and medical leave insurance benefits to
9 all permanent State employees. The contract shall have a term of two years
10 with the possibility of up to two one-year renewals at the State's option. The
11 contract shall be awarded pursuant to a competitive bid process conducted in
12 coordination with the State of New Hampshire.

13 (b) The family and medical leave insurance provided pursuant to the
14 contract shall be known as the Twin State Family and Medical Leave
15 Insurance Plan.

16 (c) On or before September 30, 2019, the Commissioners of Human
17 Resources and of Financial Regulation, in cooperation with the State of New
18 Hampshire, shall develop and issue a request for proposals from insurance
19 carriers to provide family and medical leave insurance that meets the following
20 requirements:

- 1 (1) wage replacement equal to 60 percent of an employee's average
2 weekly wage, with the wages eligible for coverage equal to the maximum
3 Social Security Taxable Wage;
- 4 (2) six weeks of leave in a calendar year;
- 5 (3) no minimum duration for a leave;
- 6 (4) coverage for leaves taken by an employee for any of the following
7 reasons:
- 8 (A) the birth of a son or daughter of the employee;
- 9 (B) the placement of a son or daughter with the employee for
10 adoption or foster care;
- 11 (C) the serious health condition of the employee's spouse, child, or
12 parent;
- 13 (D) the employee's own serious health condition; or
- 14 (E) a qualifying exigency, as defined pursuant to 29 C.F.R.
15 § 825.126, arising out of the fact that the employee's spouse, child, or parent is
16 on covered active duty in the U.S. Armed Forces, or has been notified of an
17 impending call or order to covered active duty in the U.S. Armed Forces;
- 18 (5) to the extent possible, premiums shall be income sensitized;
- 19 (6) employees shall become eligible for benefits after 12 months of
20 work while enrolled in family and medical leave insurance;

1 (7) an employee shall continue to be eligible for benefits upon changing
2 jobs, provided that he or she has already met the 12-month eligibility
3 requirement and remains enrolled in the Plan at his or her new job;

4 (8) during a leave, an employee may choose to use either accrued paid
5 leave or family and medical leave insurance benefits, but may not use both
6 accrued paid leave and family and medical leave insurance benefits at the same
7 time;

8 (9) provides coverage for all eligible state employees in Vermont and
9 New Hampshire;

10 (10) the premiums for coverage of state employees in Vermont and New
11 Hampshire shall be identical during the initial years of the Plan;

12 (11) other public employers and private employers may elect to
13 participate in the Twin State Voluntary Paid Family and Medical Leave
14 Insurance Plan, and may elect to either provide insurance coverage under the
15 Plan to all of their employees or to permit their employees to elect to enroll in
16 the Plan during a specified annual enrollment period;

17 (12) employers that elect to participate in the Plan may determine the
18 portion of the premiums that their employees shall be responsible for;

19 (13) the premiums for coverage provided to employers other than the
20 State shall satisfy the following guidelines:

1 (A) employers with 20 or more employees who have 100 percent of
2 their employees enrolled shall pay the same premium per employee as the
3 State;

4 (B) employers with fewer than 20 employees who have 100 percent
5 of their employees enrolled shall pay a premium per employee that shall not
6 exceed the premium for a State employee by more than five percent; and

7 (C) employers who have less than 100 percent of their employees
8 enrolled shall pay a premium that is set on a sliding scale based on the
9 percentage of employees enrolled and whether the employer employs 20 or
10 more employees;

11 (14) individuals who are self-employed or who are employed by an
12 employer that chooses not to enroll in the Twin State Family and Medical
13 Leave Insurance Plan shall be permitted to enroll in a plan that is an adjunct to
14 the State of Vermont's plan and shall pay a premium that shall not exceed the
15 premium for a State employee by more than 15 percent; and

16 (15) coverage for employees of the State of Vermont and the State of
17 New Hampshire shall begin on or before July 1, 2020 and coverage for other
18 public employers, private employers, and individuals shall be available
19 beginning on July 1, 2020.

20 (d) The Commissioners of Human Resources and of Financial Regulation,
21 in cooperation with the State of New Hampshire, shall jointly evaluate the

1 proposals received in response to the request for proposals and shall select a
2 proposal that:

3 (1) satisfies the requirements set forth in subsection (b); and

4 (2) was submitted by an insurance carrier that is licensed in both
5 Vermont and New Hampshire.

6 Sec. 3. 21 V.S.A. § 472 is amended to read:

7 § 472. LEAVE

8 * * *

9 (b) During the leave, at the employee's option, the employee may use
10 accrued sick leave or vacation leave or any other accrued paid leave, Twin
11 State Voluntary Family and Medical Leave Insurance Plan benefits provided
12 pursuant to section 475 of this subchapter, or short-term disability insurance or
13 other insurance benefits, not to exceed six weeks. Utilization of accrued paid
14 leave shall not extend the leave provided herein.

15 * * *

16 Sec. 4. 21 V.S.A. § 475 is added to read:

17 § 475. TWIN STATE FAMILY AND MEDICAL LEAVE INSURANCE

18 PLAN; VOLUNTARY ENROLLMENT

19 (a) An employer may enroll in the Twin State Family and Medical Leave
20 Insurance Plan created pursuant to 3 V.S.A. § 639.

1 (b) An employer that has enrolled in the Plan may elect to provide
2 coverage under the Plan to either:

3 (1) all of its employees; or

4 (2) only those employees who elect to enroll in the Plan during a
5 specified annual enrollment period.

6 (c) An employer that has enrolled in the Plan may elect to pay the full
7 amount of the premium for each of its employees who are enrolled in the Plan,
8 or to require each enrolled employee to pay a percentage of the applicable
9 premium up to 100 percent with the employer responsible for the remainder of
10 the premium.

11 (d) A self-employed individual or an individual whose employer elects not
12 to enroll in the Twin State Family and Medical Leave Insurance Plan may elect
13 to enroll in the Plan as an individual. An individual who enrolls in the Plan
14 pursuant to this subsection shall be responsible for the full amount of the
15 premium for his or her coverage.

16 (e) Premiums for coverage shall be established by the insurance carrier
17 based on the guidelines set forth in 3 V.S.A. § 639.

18 Sec. 5. EFFECTIVE DATE

19 This act shall take effect on July 1, 2019.