

Publications

Vermont and New Hampshire Employers Take Note: New State Voluntary Paid Family and Medical Leave Programs

ATTORNEYS & PROFESSIONALS

Kathryn Bjornstad Amin

kamin@groom.com

202-861-2604

Shanna Cramer

scramer@groom.com

202-861-6636

Elizabeth LaPaugh

elapaugh@groom.com

202-861-6606

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This month, Vermont adopted the [Vermont Family and Medical Leave Insurance Plan](#) (“Vermont Program”), a voluntary paid family and medical leave program. The Vermont Program is substantially similar to the New Hampshire Granite State Paid Leave Plan, a program that New Hampshire that goes into effect on January 1, 2023 (“New Hampshire Program”). The Vermont Program goes into effect for most employers in July 2024 (July 2023 for state employees). Note that both of these programs are voluntary, so employers are not required to participate. While the programs are not in operation yet, employers with employees in Vermont or New Hampshire should consider whether opting-in to the program suits business and talent needs. Future changes and clarifications are expected to the Vermont Program as it is in the early stages of development.

The Programs

Under both programs, covered employees will be eligible for up to 6 weeks of paid leave (there is a 12-week option in New Hampshire) in a 12-month period for qualifying reasons, with a guaranteed benefit of 60% of their average weekly pay. Qualifying reasons are birth, adoption, foster care placement, caring for a family member with a serious health condition, a qualifying exigency related to a family member being on active duty, or caring for the employee’s own serious health condition. In New Hampshire, employers have flexibility with respect to the premium payment – they can either pay the entire premium themselves, have employees pay the entire premium, or split the cost with employees. Vermont has not yet provided details on premiums payments.

Employers that opt into the New Hampshire Program will receive a tax credit of 50% of the premiums they pay.

GROOM INSIGHT: The Vermont Program is a new program and should not be confused with Vermont's Earned Sick Time law. The Earned Sick Time law requires employers with at least 1 employee in the state to provide eligible employees with 1 hour of paid sick time for every 52 hours worked, up to a maximum of 40 hours of accrued time.

The Paid Leave Landscape Continues to Evolve

The voluntary paid family and medical leave model is the newest twist on family and medical leave laws. Three states (Virginia, New Hampshire, and Vermont) currently have voluntary paid family and medical leave (no states currently have only voluntary disability leave). Thirteen states (including DC) currently have mandated paid family leave and medical leave and/or disability leave in place or scheduled to come into operation in the next few years:

- Hawaii has a longstanding disability leave program.
- The following states added paid family leave programs after they enacted disability leave programs (all currently in effect):
 - California
 - San Francisco also has a paid parental leave ordinance (requires employers to bridge the gap between the California paid family leave benefit and 100% of an employee's normal weekly wages)
 - New Jersey
 - New York
 - Rhode Island
- The following states have enacted combined paid family and medical leave programs:
 - Colorado (contributions begin 1/1/2023; benefits begin 1/1/2024)
 - Connecticut (currently in effect)
 - Delaware (contributions begin 1/1/2025; benefits begin 1/1/2026)
 - District of Columbia (currently in effect)
 - Maryland (contributions begin 10/1/2023; benefits begin 1/1/2025)
 - Massachusetts (currently in effect)
 - Oregon (contributions begin 1/1/2023; benefits begin 9/3/2023)
 - Washington (currently in effect)

GROOM INSIGHT: Voluntary paid leave programs may be an attractive alternative for states that want expand employee access to paid family and medical leave, but do not want to impose mandates on employers.

When evaluating participation in voluntary state leave programs or designing compliance with mandatory state programs, employers should holistically consider how the programs are integrated with any other leave of absence programs they administer (e.g., vacation, disability, and sick leave). Employers should also confirm that programs are properly coordinated with leave under the Federal Family and Medical Leave Act (FMLA) and other jurisdictional mandates, particularly if they partner with a third-party leave administrator.

For more information on the impact of paid leave laws, please contact the authors or any of our Groom attorneys.