VERMONT DEPARTMENT OF LABOR

REPORT

Act 69 of the 2015 Adjourned Session of the General Assembly

Submitted: January 14, 2019

Submitted To:
to the House Committee on General, Housing and Military Affairs
and the Senate Committee on Economic Development, Housing and General Affairs

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Introduction

The Earned Sick Time Act of 2016 requires all Vermont employers to provide their employees with paid time off for the employee’s own illness, the need to care for a sick family member, the need to obtain social or legal services for the employee or the employee’s family member, and the need to care for a family member when a school, business or other facility is closed for public safety reasons. The law required employers to allow their employees to use up to 24 hours of earned sick time in 2017 and 2018, moving up to 40 hours in 2019 and subsequent years. Earned sick time accrues at the rate of 1 hour of earned sick time for every 52 hours worked.

The Act provided a one-year phase in period for small employers with five or fewer full-time employees, and it provides a one-year phase in for new employers as well. The Act also contains a small number of exemptions, most notably for seasonal employees working 20 or fewer weeks per year, and part-time employees working fewer than 18 hours a week. The full text of the Act can be found here:


The Act also required the Commissioner of Labor to prepare a report. The text of that section of the Act is set forth below:

Sec. 6. DEPARTMENT OF LABOR REPORT

The Department of Labor shall, on or before January 15, 2019, report to the House Committee on General, Housing and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs regarding the number of inquiries and complaints submitted to the Department in relation to this act and the number of investigations and enforcement actions undertaken by the Department in relation to this act during the first two years after its effective date.
Outreach and Education

The Department of Labor, in addition to promulgating rules and creating a workplace poster as required by the Act, created a *Frequently Asked Questions* fact sheet. The poster, rules and FAQ are available at the Department’s website, and are attached to this report. The Department, through its Legal Division and Wage and Hour Division, also made in-person presentations upon request to groups including the Associated Industries of Vermont, the League of Cities and Towns, the Society of Human Resource Management, the Green Mountain Payroll Association, and the Lamoille Region Chamber of Commerce. Department legal staff have also had numerous one-on-one discussions with private sector employment law attorneys about the proper interpretation and implementation of the Act.

Inquiries and Complaints

The Department’s Wage and Hour Division employs two claims examiners who field calls from the general public on a wide variety of employment related topics, including minimum wage and overtime, wage deductions, working conditions, and child labor laws. Following the enactment of the Earned Sick Time Act, the division began tracking calls related to earned sick time from both employees and employers. The division has logged approximately 450 phone inquiries about the Act since its passage. The calls have been wide ranging, but certain patterns have emerged.

Employee inquiries are frequently about the difference between accrual of earned sick time and the actual use of the time. The law allows employers to either accrue earned sick time on an hours-worked basis (one hour earned for every 52 hours worked) or to front load all the leave
time at the beginning of an annual period.¹ Employers also have the option of imposing a
waiting period of up to one year on the use of earned sick time, regardless of the number of
accrued hours.² Employees may have accrued hours that they are currently not able to use due to
the implementation of a permissible waiting period.

A significant number of employee inquiries also arise out of confusion about the Act’s
applicability to combined time off (CTO) policies. CTO policies do not distinguish between
vacation leave, sick leave, or personal leave, but provide employees with a total amount of paid
annual leave to use for any purpose. The Act allows employers with CTO polices that provide
at least the minimum amount of annual leave required by the law to allow the CTO policy to
serve as earned sick time, if the CTO time can be used for all the purposes required by the Act.³
Consequently, an employee may use all their CTO time as vacation time, and if they
subsequently miss work for one of the reasons enumerated in the Act, the employer is not
obligated to pay for that additional time off.⁴ Many callers feel they should be entitled to
additional paid time, beyond that required by the Act.

Finally, many calls have come from employees who feel they should be entitled to the payout of
accrued sick time upon separation. Unless the employer has a written policy requiring the
payout of unused leave upon separation, it is otherwise not mandated by Vermont law.⁵

¹ 21 V.S.A. § 482(a), 21 V.S.A. § 484(a)(2)
² 21 V.S.A. § 482(b)
³ 21 V.S.A. § 484(b)
⁴ 21 V.S.A. § 484(a)(2)
⁵ 21 V.S.A. § 483(e)
Inquiries from employers have generally focused on the issues of tracking accrual of earned sick time, and of rolling over unused sick time into a subsequent annual period. Employers have expressed concern about the time it takes bookkeeping and accounting staff to track accrual. The alternative is to front-load the leave, but then some employers expressed concern that an employee may take all the paid leave early in their tenure, and then quit. Some callers have also expressed confusion about a perceived disconnect between the rate of accrual and the amount of leave required by law. Some employees may accrue more hours than their employer is required to let them use, while some employees working less than full-time may never accrue 40 hours of earned sick time annually.

Seasonal employers, notably those in the ski industry, have expressed concern about the seasonal exemption being limited to twenty weeks. In order to comply with the law, these employers either need to track accrual for all employees if they work longer than 20 weeks, or track accrual retroactively for those that exceed the cap. The same concern has been raised by employers about the part-time employee exemption. If an employee is hired with the expectation that they will work fewer than 18 hours per week, but then exceed that average over the course of an annual period, the employer finds themselves retroactively liable to account for the leave that was accrued over the course of the annual period.

Based on all the calls and inquiries received, the Department is of the belief that the most confusion about the provisions of the Earned Sick Time Act are with smaller employers who do not have dedicated human resources staff or full-time payroll agents. To date, only one inquiry received by the Wage and Hour Division has developed into an unresolved complaint. That
complaint came from an employee who needed to take time off to take a sick child to a medical appointment. The employee claimed that her employer refused to pay her for the time she took off work. Investigation into that complaint is currently ongoing.

The Commissioner of Labor remains committed to providing employers and employees with the information they need to successfully comply with the requirements of Vermont’s Earned Sick Time Act, and to enforce the provisions of the Act accordingly. The Commissioner will continue to track inquiries, complaints, investigations and violations of the Act, should the General Assembly wish to revisit this issue in the future.
Vermont’s Earned Sick Time Act
Notice of Employee Rights

HOW IS SICK TIME EARNED?

An employee will earn one hour of earned sick time for every 52 hours of actual work, including overtime. An employee will be entitled to use up to 24 hours of earned sick time annually in 2017 and 2018, and up to 40 hours in 2019 and subsequent years.

HOW CAN SICK TIME BE USED?

An employee can use sick time when the employee or employee’s child, parent, grandparent, spouse, or parent-in-law is sick or injured. This includes helping a family member obtain health care or travel to an appointment related to his or her long-term care, or to address the effects of domestic violence, sexual assault or stalking. An employee may use earned sick time to care for a family member because the school or business where the family member is located is closed for public health or safety reasons.

WHEN DOES ACCRUAL BEGIN?

An employee begins accruing sick leave on January 1st, 2017 or on the first day of employment, whichever comes later.

IS THERE AN EXCEPTION FOR SMALL BUSINESSES?

A small business that employs five or fewer full-time employees will not be subject to the Act until January 1st, 2018.

WHEN WILL PAID SICK TIME BE AVAILABLE TO USE?

An employer may elect to allow the use of earned sick time as it accrues, or may impose a waiting period of up to one year after January 1st, 2017 or the first day of employment, whichever comes later.

ARE ALL EMPLOYEES ENTITLED TO SICK TIME?

Not all employees are subject to the protections of the Act. There are limited exemptions for certain types of employment, as well as for certain seasonal and part time employees. For a complete list, go to: http://legislature.vermont.gov/statutes/section/21/005/00481

VERMONT DEPARTMENT OF LABOR
www.labor.vermont.gov

FOR MORE INFORMATION, or to report suspected violations of the Act, contact the Vermont Department of Labor at 1-802-828-0267

DECEMBER, 2016
# Vermont Earned Sick Time Rules

**Table of Contents**

- **Section 1. Authority** .......................................................... 2  
- **Section 2. Purpose and Scope** ........................................... 2  
- **Section 3. Definitions** ..................................................... 2  
- **Section 4. Eligibility to Earn Sick Time** ............................. 7  
- **Section 5. Accrual of Earned Sick Time** ......................... 8  
- **Section 6. Use of Earned Sick Time** .................................. 9  
- **Section 7. Payment of Earned Sick Time** ......................... 12  
- **Section 8. One Year Waiting Period** .................................. 15  
- **Section 9. Notice of Use of Earned Sick Time** .................. 16  
- **Section 10. Allowable Substitution of Employers’ Paid Leave Policies** ........................................... 17  
- **Section 11. Retaliation Prohibited** .................................... 18  
- **Section 12. Recordkeeping and Disclosure** ....................... 18  
- **Section 13. Violations of the Earned Sick Time Law** ............ 19  
- **Section 14. Severability of Provisions** .............................. 19  
- **Section 15. New Employers** ............................................ 19  
- **Section 16. Effective Dates** ............................................. 20
Vermont Earned Sick Time Rules

Section 1. Authority.

This rule is issued by authority of the Commissioner of Labor pursuant to 21 V.S.A. § 487 and
Act 69 of the 2016 General Assembly ("Act").

Section 2. Purpose and Scope.

(a) Purpose. To clarify practices and policies in the administration and enforcement of "An
act relating to absence from work for health care and safety." 21 V.S.A. §§ 481 - 486 (the
Act).

(b) Interaction with the Vermont Parental and Family Leave Act. Time accrued by an
employee may be used at the same time as time off provided by the Vermont Parental and
Family Leave Act. An employee may choose to use earned sick time as provided under
the Act to receive pay when taking leave under the Vermont Parental and Family Leave
Act that would otherwise be unpaid.

Section 3. Definitions.

As used in the Act, the following terms shall have the following meanings unless the context
clearly requires otherwise:

(1) "Annual period" means any continuous 12-month period of time as determined by the
first day of work. If an employee has been working before the implementation date of the
Act, his or her annual period will start on January 1. An employer with an existing fixed
paid leave year may use such fixed paid leave year as the annual period, provided that all
earned sick time accrued pursuant to the act shall be carried over into the fixed paid leave
year. The use of approved off-payroll time does not restart the annual period and accrual
of earned sick time shall resume upon the employee's return to work.
Vermont Earned Sick Time Rules

(2) "Child" means a minor or adult son or daughter by birth or adoption.

(3) "Commissioner" means the Commissioner of Labor or his or her designee.

(4) "Discharge" means a separation from employment initiated by the employer, including a temporary or seasonal layoff.

(5) "Domestic Violence" has the same definition as in 15 V.S.A. § 1151.

(6) "Earned Sick Time" means paid time off from work accrued by an employee and provided by an employer for the purposes permitted by the Act.

(7) "Employee" means any person who, in consideration of direct or indirect gain or profit is employed by an employer for an average of not less than 18 hours per week. To calculate if an employee has worked an average of 18 hours per week an employer shall, on a yearly basis, divide the number of hours worked by the employee in the last completed calendar year by 52. If an individual has been employed for an average of not less than 18 hours per week in the prior calendar year, the individual’s accrual of sick time shall be deemed to have commenced on the first day of that year. The previous calendar year calculation shall not be applied to those individuals hired during that calendar year who are anticipated to work an average of more than 18 hours a week. The term “employee” shall not include:

(A) an employee of the federal government;

(B) an individual who is employed by an employer for 20 weeks or fewer in a 12-month period and in a job scheduled to last 20 weeks or fewer. If the job extends past 20 weeks, sick time accrual shall be deemed to have commenced on the first day of work. The one year waiting period on the use of earned sick time may still apply to the employee.
Vermont Earned Sick Time Rules

(C) an individual that is employed by the State and is exempt or excluded from the State classified service pursuant to 3 V.S.A. § 311, but not an individual that is employed by the State in a temporary capacity pursuant to 3 V.S.A. § 331.

(D) an employee of a health care facility as defined in 18 V.S.A. § 9432(8) or a facility as defined in 33 V.S.A. § 7102(2) if the employee only works on a per diem or intermittent basis.

(i) "Health care facility" means all persons or institutions, including mobile facilities, whether public or private, proprietary or not for profit, which offer diagnosis, treatment, inpatient, or ambulatory care to two or more unrelated persons, and the buildings in which those services are offered. The term shall not apply to any institution operated by religious groups relying solely on spiritual means through prayer for healing, and shall include but is not limited to:

(aa) hospitals, including general hospitals, mental hospitals, chronic disease facilities, birthing centers, maternity hospitals, and psychiatric facilities including any hospital conducted, maintained, or operated by the state of Vermont, or its subdivisions, or a duly authorized agency thereof;

(bb) nursing homes, health maintenance organizations, home health agencies, outpatient diagnostic or therapy programs, kidney disease treatment centers, mental health agencies or centers, diagnostic imaging facilities, independent diagnostic laboratories, cardiac catheterization laboratories, radiation
Vermont Earned Sick Time Rules

therapy facilities, or any inpatient or ambulatory surgical, diagnostic, or treatment center.

(ii) "Facility" means a residential care home, nursing home, assisted living residence, home for persons who are terminally ill, or therapeutic community residence licensed or required to be licensed pursuant to the provisions of Chapter 71 of Title 33.

(E) an employee of a school district, supervisory district, or supervisory union as defined in 16 V.S.A. § 11 that:

(i) is employed pursuant to a school district or supervisory union policy on substitute educators as required by the Vermont Standards Board for Professional Educators Rule 5381; and

(ii) is under no obligation to work a regular schedule; and

(iii) is not under contract or written agreement to provide at least one period of long-term substitute coverage which is defined as 30 or more consecutive school days in the same assignment.

(iv) "School district" means town school districts, union school districts, interstate school districts, city school districts, unified union districts, and incorporated school districts, each of which is governed by a publicly elected board.

(v) "Supervisory district" means a supervisory union that consists of only one school district, which may be a unified union district.

(vi) "Supervisory union" means an administrative, planning, and educational service unit created by the State Board of Education under 16 VSA § 261
Vermont Earned Sick Time Rules

that consists of two or more school districts; if the context clearly allows, the term also means a supervisory district.

(F) an individual who is under 18 years of age.

(G) an individual that is either:

(i) a sole proprietor or partner owner of an unincorporated business who is excluded from the definition of employee under 21 VSA § 601(14)(F); or

(ii) an executive officer, manager, or member of a corporation or a limited liability company for whom the Commissioner has approved an exclusion from the provisions of chapter 9 of Title 21, pursuant to § 601(14)(H).

(H) an individual that:

(i) works on a per diem or intermittent basis; and

(ii) works only when he or she indicates that he or she is available to work; and

(iii) is under no obligation to work for the employer offering the work; and

(iv) has no expectation of continuing employment with the employer.

(8) "Employer" means any individual, organization, or governmental body, partnership, association, corporation, legal representative, trustee, receiver, trustee in bankruptcy, and any common carrier by rail, motor, water, air or express company doing business or operating within this state.

(9) "Foster child" mean a foster child, a stepchild, a legal ward, or a child for whom an employee has assumed the responsibilities of parenthood, and a child of an employee standing in loco parentis, as defined by 29 U.S.C. § 2611(12) and 29 C.F.R. §§ 825.122(c) and 825.800.
Vermont Earned Sick Time Rules

(10) "Paid time off policy" means any policy under which the employer provides paid time off from work to the employee that includes a combination of one or more of the following:

(i) annual leave;
(ii) combined time off;
(iii) vacation leave;
(iv) personal leave;
(v) sick time; or
(vi) any similar type of leave.

(11) “Sexual Assault” has the same definition as in 15 V.S.A. § 1151.

(12) “Small Employer” means an employer who on January 1, 2017 has five or fewer employees who averaged 30 hours or more per week during the previous calendar year. Individuals working less than 30 hours per week shall not be counted when calculating the number of employees. A small employer is not subject to the requirements of the Act until January 1, 2018.

(13) “Stalking” has the same definition as in 15 V.S.A. § 1151.

Section 4. Eligibility to Earn Sick Time.

(a) An employee is eligible to accrue and use earned sick time if the employee’s primary place of work is in Vermont, regardless of the primary location of the employer.
Vermont Earned Sick Time Rules

(b) If an employee is eligible to accrue and use earned sick time, then all hours the employee works shall be applied toward accrual of earned sick time regardless of the location of the work.¹

(c) An eligible employee who is permanently transferred to another state but remains with the same employer will no longer accrue earned sick time but may use any sick time already accrued.

Section 5. Accrual of Earned Sick Time.

(a) Between January 1, 2017, and December 31, 2018, an employee shall accrue earned sick time on all hours worked at a rate of no less than one hour of earned sick time for every 52 hours worked, including overtime hours, of which a minimum of 24 hours shall be usable per annual period.

(b) After December 31, 2018, an employee shall accrue earned sick time on all hours worked at a rate of no less than one hour of earned sick time for every 52 hours worked, including overtime hours, of which a minimum of 40 hours shall be usable per annual period.

(c) An employer may allow the accrual of additional earned sick time in excess of the minimum amount.

(d) An employer shall not be required to track accrual balances in increments of less than one hour.

(e) An employee exempt from overtime requirements under The Fair Labor Standards Act (29 U.S.C. § 213(a)(1)) shall be assumed to work 40 hours in each work week for

¹ For example, in a single year, an employee of a Vermont catering company works 550 hours in Vermont, 350 hours in New Hampshire and 200 hours in Maine. The caterer will accrue earned sick time on all 1,100 hours worked for the catering company.
Vermont Earned Sick Time Rules

purposes of earned sick time accrual unless the job worked specifies a lower number of hours per week. In such cases, earned sick time shall accrue based on the specified number of hours worked per week.

(f) Adjunct faculty compensated on a fee-for-service or “per-course” basis shall be deemed to work 3 hours for each “classroom hour” worked.

(g) An employer shall be in compliance with this section if the employer provides the employee with at least the full amount of earned sick time required by subsections (a) and (b) of this section at the beginning of each annual period. If the employer provides an employee with the full amount of sick time at the beginning of each annual period, any unused earned sick time hours at the end of the annual period shall not carry over into the subsequent annual period.

(h) Except as otherwise provided in subsection (g) of this section and section seven of these rules, earned sick time that remains unused at the end of an annual period shall be carried over to the next annual period and the employee shall continue to accrue earned sick time at the same rate established in the Act. However, nothing in this subsection shall be construed to permit an employee to use more earned sick time during an annual period than any limit on the use of earned sick time that is established by his or her employer pursuant to the Act.

Section 6. Use of Earned Sick Time.

(a) From January 1, 2017, to December 31, 2018, an employee has the right to use up to 24 hours of accrued earned sick time per annual period.
Vermont Earned Sick Time Rules

(b) Beginning January 1, 2019, an employee has the right to use up to 40 hours of accrued sick time per annual period.

(c) An employee may use earned sick time for the following:

1. Care for the employee’s own physical or mental illness, injury, or medical condition that requires home care, professional medical diagnosis or care, or preventative medical care, including diagnostic, preventive, routine, or therapeutic health treatment;

2. Care for the employee’s parent, grandparent, spouse, child, brother, sister, parent-in-law, grandchild or foster child, who is suffering from a physical or mental illness, injury, or medical condition that requires home care, professional medical diagnosis or care, or preventative medical care;

3. Care for the employee’s sick or injured parent, grandparent, spouse, child, brother, sister, parent-in-law, grandchild, or foster child, including helping that individual obtain diagnostic, preventive, routine, or therapeutic health treatment, or accompanying the employee’s parent, grandparent, spouse, or parent-in-law to an appointment related to his or her long-term care. Routine healthcare treatment includes travel to and from an appointment, a pharmacy, or other location related to the purpose for which the time was taken.

4. Arranging for social or legal services or obtaining medical care or counseling for the employee or for the employee’s parent, grandparent, spouse, child, brother, sister, parent-in-law, grandchild, or foster child, who is a victim of domestic violence, sexual assault, or stalking or who is relocating as the result of domestic violence, sexual assault, or stalking.
Vermont Earned Sick Time Rules

violence, sexual assault, or stalking. "Domestic violence," "sexual assault," and "stalking" shall have the same meanings as in 15 V.S.A. § 1151.

(5) care for a parent, grandparent, spouse, child, brother, sister, parent-in-law, grandchild or foster child, because the school or business where that individual is normally located during the employee’s workday is closed for public health or safety reasons. A “business” includes a care facility.

(d) An employer is not required to pay earned sick time and the employee shall not be charged for the use of earned sick time if the employee is not scheduled to be at work during the period of use.

(e) If an employee's absence is shorter than a normal workday, the employee shall use earned sick time in the smallest time increments that the employer's payroll system uses or that the employer's paid time off policy permits. Employers may limit the minimum use of earned sick time to one hour.

(f) An employer shall post notice of the provisions of the Act in a form provided by the Commissioner, and in a place conspicuous to an employee at the employer's place of business. An employer shall also notify an employee of the provisions of the Act at the time the employee is hired.

(g) An employer shall not require an employee to make up time off from work as a condition of using earned sick time. However, an employee and employer may by mutual agreement arrange for the employee to work additional hours during the same pay period to avoid the use of and payment for earned sick time.
Vermont Earned Sick Time Rules

(h) An employer shall not require an employee to find a replacement for the employee’s absences for purposes authorized by the Act, including absences for professional diagnostic, preventive, routine, or therapeutic health care.

(i) If an employee is absent from work for one of the reasons listed in subsection (c) of this section, the employee shall not be required to use earned sick time and the employer will not be required to pay for the time that the employee was absent if the employer and the employee mutually agree that either:

(1) the employee will work an equivalent number of hours as the number of hours for which the employee is absent during the same pay period; or

(2) the employee will trade hours with a second employee so that the second employee works during the hours for which the employee is absent and the employee works an equivalent number of hours in place of the second employee during the same pay period.

(j) An employer may adopt a policy that requires an employee to use earned sick time for an absence from work for a reason listed in subsection (c) of this section.

Section 7. Payment of Earned Sick Time.

(a) Earned sick time shall be paid on the same schedule and in the same paycheck as regular wages are paid. An employer shall not delay compensating an employee for earned sick time.

(b) An employer may pay an employee for any hours of unused earned sick time at the end of the annual period or when the employee leaves employment. If an employer chooses to pay unused sick time at the end of an annual period, then the sick time that is paid out shall not carry over into the subsequent annual period.
Vermont Earned Sick Time Rules

(c) An employee who voluntarily separates from employment without good cause attributable to the employer shall forfeit all accrued earned sick time and any accrued earned sick time shall not transfer if the employee is subsequently hired by another employer.

(d) An employer is not allowed to interrupt insurance benefits for an employee during the use of earned sick time. Group insurance benefits shall continue during the period an employee uses earned sick time at the same level and conditions that coverage would be provided for normal work hours. The employer may require that the employee contribute to the cost of the benefits during the use of earned sick time at the existing rate of employee contribution.

(e) If an employee is compensated on an hourly basis, the normal hourly rate means the amount that an employee is regularly paid for each hour of work.

(f) If an employee receives different pay rates for hourly work from the same employer, the normal hourly rate means either:

1. the wages the employee would have been paid for the hours absent during use of earned sick time if the employee had worked; or

2. the blended rate, determined by taking the weighted average of all regular rates of pay over the previous pay period, month, quarter or other established period of time the employer customarily uses to calculate blended rates for similar purposes.

3. Regardless of the method the employer elects to determine the normal hourly rate, the employer shall use a consistent method for all his or her employees throughout an annual period.
Vermont Earned Sick Time Rules

(g) If an employee is paid a salary, the normal hourly rate means the employee’s total earnings in the previous pay period divided by the total hours worked during the previous pay period. For determining total hours worked during the previous pay period, an employee who is exempt from overtime requirements under the Fair Labor Standards Act (29 U.S.C. § 213(a) (1)), shall be presumed to work 40 hours each week unless his or her normal work week is less than 40 hours, in which case the normal hourly rate shall be calculated based on the employee’s normal work week. Regardless of the basis used, the normal hourly rate shall not be less than the effective minimum wage established by 21 V.S.A. § 384.

(h) If an employee is paid on commission (whether base wage plus commission or commission only), the normal hourly rate means the greater of the base wage or the effective minimum wage established by 21 V.S.A. § 384.

(i) For a tipped employee who ordinarily receives the tipped wage rate under 21 V.S.A. § 384, the normal hourly rate means the non-tipped minimum wage rate established by 21 V.S.A. § 384.

(j) As used in this section, the normal hourly rate shall not include:

1. sums paid as commissions, drawing accounts, bonuses, or other incentive pay based on sales or production;

2. sums excluded under 29 U.S.C. § 207(e), including contributions irrevocably made by an employer to a trustee or third person pursuant to a bona fide plan for providing old-age, retirement, life, accident, or health insurance, and any other employee benefit plans; and
Vermont Earned Sick Time Rules

(3) overtime, holiday pay, or other premium rates. However, where an employee’s regular hourly rate is a “differential rate,” meaning a different wage rate paid for the same work performed under differing conditions (e.g. a night shift), the “differential rate” is not a premium.

Section 8. One Year Waiting Period.

(a) A newly hired employee. An employee begins accruing earned sick time on the first date of actual work. An employer may require a waiting period for a newly hired employee of up to one year. During this waiting period, an employee shall accrue earned sick time pursuant to the Act, but an employer may prohibit the use of earned sick time until after the employee has completed the waiting period.

(b) An existing employee. An employer may require for an existing employee on January 1, 2017, a waiting period of up to one year. The waiting period shall begin on January 1, 2017, and shall end on or before December 31, 2017. During this waiting period, an employee shall accrue earned sick time but an employer may prohibit the use of earned sick time until after the employee has completed the waiting period.

(c) A small employer. A small employer need not comply with the Act until January 1, 2018. The waiting period for small employers shall begin on January 1, 2018, and shall end on or before December 31, 2018. During this waiting period, an employee shall accrue earned sick time but an employer may prohibit the use of earned sick time until after the employee has completed the waiting period.

(d) An employee who is discharged by his or her employer after he or she has completed a waiting period, and is subsequently rehired by the same employer within 12 months after the discharge from employment shall begin to accrue and may use earned sick time
Vermont Earned Sick Time Rules

without a waiting period. However, the employee shall not be entitled to retain any earned sick time that accrued before the time of his or her discharge unless agreed to by the employer.

(e) An employee who is discharged prior to completing his or her waiting period and is subsequently rehired by the same employer within 12 months after the discharge from employment, shall have the same time remaining in his or her waiting period as on the date of discharge.²

(f) An employee that voluntarily separates from employment after he or she has completed a waiting period, and is subsequently rehired by the same employer within 12 months after the separation from employment shall not be entitled to use previously accrued sick time and may be required to begin a new waiting period unless waived by the employer.


(a) An employer may require an employee planning to use earned sick time to make reasonable efforts to avoid scheduling routine or preventive health care during regular work hours, or to notify the employer as soon as practicable of the intent to take earned sick time and the expected duration of the employee's absence.

(b) An employer may require an employee to provide reasonable notice before using earned sick time.

(c) The notice required to be given for unforeseeable absences is what is reasonable under the circumstances, recognizing that there are certain situations such as accidents or sudden illness for which advance notice might be infeasible.

² For example, if a person worked for eight months and was laid off and rehired two months later he or she will only have four months left until he or she has completed the waiting period.
Vermont Earned Sick Time Rules

(d) For multi-day absences, an employer may require notification of the expected duration of the leave from the employee or the employee’s surrogate (e.g. spouse, adult family member or other responsible party), unless the circumstances make such notice impracticable.

(e) An employer may require an employee to give notice in a manner the employee customarily uses to communicate with the employer for reporting absences or requesting leave.

(f) An employee who is required to give notice shall specify that he or she is using earned sick time.

(g) An employer may require an employee to provide reasonable proof that the employee’s use of earned sick time is for one of the purposes allowed by the Act.

Section 10. Allowable Substitution of Employers’ Paid Leave Policies.

(a) An employer may have their own sick time or paid leave policies, as long as all employees can use at least the same amount of leave, for the same purposes, under the same conditions, and with the same job protections provided in the Act.

(b) An employer may have different paid leave policies for different groups of employees, as long as each policy meets the minimum requirements provided in the Act.

(c) An employer that provides paid time off in amounts consistent with the Act that also may be used as earned sick time shall not be required to provide additional sick time to an employee.³

³ For example, a sporting goods store provides its employees with 40 hours of paid vacation time that can also be used as earned sick time, consistent with the Act. Does the store need to provide any separate sick time? No. The sporting goods store does not need to provide additional sick time, but the store would be well advised to notify the employees that if they use all of their hours for vacation, there will be no additional paid sick time available.

pg. 17
Vermont Earned Sick Time Rules

(d) Nothing in these rules shall be construed to diminish an employer's obligation to comply with any collective bargaining agreement or paid time off policy that provides greater earned sick time rights than the rights provided by the Act.

(e) A collective bargaining agreement or paid time off policy may not diminish the rights provided by the Act.

Section 11. Retaliation Prohibited.

(a) An employer shall not discharge or in any other manner retaliate against an employee because:

(1) the employee lodged a complaint of a violation of the Act;

(2) the employee has cooperated with the Commissioner in an investigation of a violation of the Act; or

(3) the employer believes that the employee may lodge a complaint or cooperate in an investigation of a violation of the Act.

(b) Notwithstanding subsection (a), an employer may discipline an employee for using his or her earned sick time for reasons not consistent with the Act.

Section 12. Recordkeeping and Disclosure.

(a) An employer shall keep true and accurate records of the accrual and use of earned sick time pursuant to 21 V.S.A. § 393.

(b) An employer shall maintain such records for a period of three years and shall provide copies within 10 days upon demand by the Commissioner. An employee who requests his or her records shall be provided with a copy within 5 days and shall be allowed to inspect the original paper or electronic records at a reasonable time and place.
Vermont Earned Sick Time Rules

Section 13. Violations of the Earned Sick Time Law.

(a) An employer who violates 21 V.S.A. § 482 or § 483 shall be fined not more than $5,000.00 per violation.

(b) An employee may file a complaint with the Commissioner in the manner prescribed by the Commissioner. The Commissioner shall investigate and enforce any violations in accordance with 21 V.S.A. § 342a.

(c) In addition to recovery of earned sick time pay, the Commissioner may assess a civil penalty of not more than $5,000.00 per violation.


If any provision of these rules or the application of such provision to any person or circumstances shall be held invalid, the remainder of these rules and the application of such provisions to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

Section 15. New Employers.

(a) Notwithstanding any provision of the Act to the contrary, new employers shall not be subject to the provisions of the Act for a period of one year after the employer hires its first employee.

(b) For purposes of enforcement, an employer shall be presumed to be subject to the provisions of the Act unless the employer proves that a period of no more than one year elapsed between the date on which the employer hired its first employee and the date on which the employer is alleged to have violated the provisions of the Act.
Vermont Earned Sick Time Rules

(c) No employer shall transfer an employee to a second employer with whom there is, at the time of the transfer, substantially common ownership, management, or control for the purposes of either employer claiming an exemption pursuant to these rules.

Section 16. Effective Dates.

These rules shall take effect on January 15, 2017.
Vermont Earned Sick Time Law Frequently Asked Questions

These FAQs are based upon the Vermont Earned Sick Time Law, 21 V.S.A. §§ 481- 486, and the accompanying Earned Sick Time Administrative Rules, which are available at:


The Earned Sick Time Law sets minimum requirements; employers may choose to provide more generous policies.

Section A: Introduction

Q: When do employers have to start complying with the law?
A: All employers with more than five full-time employees must begin complying with the Earned Sick Time Law on January 1, 2017. Employers of five or fewer full-time employees will have to start complying by January 1, 2018.

Q. What does the Earned Sick Time Law do?
A. The law entitles Vermont employees to earn up to 24 hours per annual period of paid leave in 2017 and 2018, and 40 hours per year of paid leave after January 1, 2019, to address certain personal and family needs. The number of hours to which an employee is entitled is related to the number of hours worked.

Q: How do employees earn sick time?
A: Employers have two options to provide their employees earned sick time. Employees can accrue time as they work, or can be provided with a lump sum on a yearly basis. One hour of sick time is accrued for every 52 hours of actual work, including overtime.

Section B: Employees Eligible for Earned Sick time

Q: Which employees are eligible for earned sick time?
A: Employees whose primary place of work is in Vermont, and who are not subject to the exemptions listed below.

Q: How do I know if my primary place of work is in Vermont?
A: For most employees, the location where they do most of their work for their employer is their primary place of work.
Q: Which employees are exempt from earned sick time?
A: The exempt employees are:
1. United States government employees;
2. employees who works for an average of less than 18 hours per week;
3. seasonal employees employed by an employer for 20 weeks or fewer in a 12-month period. If the job extends past 20 weeks, sick time accrual shall be deemed to have commenced on the first day of work. The one year waiting period may still apply to seasonal employees;
4. certain exempt state employees who are not covered by the collective bargaining agreement;
5. per diem health care workers;
6. substitute teachers, except for long-term substitutes;
7. minors under 18 years of age;
8. individuals that are either:
   a. a sole proprietor or partner owner of an unincorporated business who is excluded from the definition of employee under 21 VSA § 601(14) (F); or
   b. an executive officer, manager, or member of a corporation or a limited liability company for whom the Commissioner has approved an exclusion from the provisions of chapter 9 of Title 21, pursuant to § 601(14) (H);
9. an individual that works on a per diem or intermittent basis, only works when he or she indicates they can work, is under no obligation to work for the employer offering work and has no expectation of continuing employment with the employer.

Q: Does this law apply to non-profit employees, unionized employees, domestic workers, agricultural workers, and home health care workers?
A: Yes.

Q: Does this law apply to independent contractors?
A: No. Properly classified independent contractors are not employees.

Q: If an employee doesn’t live in Vermont, could he or she be eligible to earn sick time?
A: Yes, if Vermont is his or her primary place of work.

Example: If an employee lives in New Hampshire, but works 900 hours in Vermont and 150 hours in New Hampshire in a single annual period, the primary place of work would be in Vermont.

Section C: Which Employers Need to Provide Earned Sick time?

Q: Do employers based outside of Vermont have to provide earned sick time?
A: If an employer has an employee or employees with a primary place of work in Vermont, then the employer must provide them with earned sick time equivalent to or in excess of the amount required by law.

Q: Does an employer have to provide earned sick time to employees who also work for other employers?
A: Yes, as long as an employee works an average of 18 hours a week or more.
Section D: How is Earned Sick Time Accrued?

Q: When does an employee start accruing?
A: Employees begin accruing earned sick time on January 1st 2017. An employer who meets the small employer requirements does not have to track accrual for employees until January 1st 2018.

Section E: Carryover of hours from one year to the next

Q: How many hours of earned sick time can an employee carry over from one year to the next?
A: The method by which an employee earns sick time determines if an employer must allow carryover of unused earned sick time:

<table>
<thead>
<tr>
<th>Employer’s Policy</th>
<th>Employer’s Carryover Obligation Between January 1, 2017 and December 31, 2018</th>
<th>Employer’s Carryover Obligation After January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>The employee is provided earned sick time through hourly accrual.</td>
<td>The employee must be allowed to carry over up to 24 hours of unused earned sick time into the next year.</td>
<td>The employee must be allowed to carry over up to 40 hours of unused earned sick time into the next year.</td>
</tr>
<tr>
<td>The employee is provided earned sick time in a lump sum allocation at the beginning of each annual period.</td>
<td>The employer is not obligated to allow an employee to carry over unused earned sick time into the next year.</td>
<td>The employer is not obligated to allow an employee to carry over unused earned sick time into the next year.</td>
</tr>
<tr>
<td>The employee is paid out for unused earned sick time at end of annual period (which is not required but employers may elect to do so).</td>
<td>The employer is not obligated to allow an employee to carry over unused earned sick time into the next year for which they provided a payout.</td>
<td>The employer is not obligated to allow an employee to carry over unused earned sick time into the next year for which they provided a payout.</td>
</tr>
</tbody>
</table>

Section F: Permissible Uses of Earned Sick time

Q: When can an employee begin using earned sick time?
A: An employee may begin using earned sick time once it is accrued or after the optional waiting period of up to one year, at the employer’s discretion.

Q: What can earn sick time be used for?
A: An employee can use sick time when the employee or employee’s child, parent, grandparent, spouse, or parent-in-law is sick or injured. This includes an employee using sick time to help themselves or a family member to obtain health care, preventive care, or travel to an appointment related to their long-term care, or to address the effects of domestic violence, sexual assault, or stalking. An employee may use earned sick time to care for a family member because the school or business where the family member is located is closed for public health or safety reasons.
Q: Can an employee’s use of earned sick time be counted toward leave under other laws?  
A: Yes. An employee’s use of earned sick time may be counted toward concurrent leave under state law such as the Vermont Parental and Family Leave Act.  

Q: What is the pay for earned sick time?  
A: Employees must be paid the same hourly rate they normally get. Hourly workers must be paid their regular hourly rate. Sick time hours are not paid at overtime or premium rates. To determine the proper rate of earned sick time pay for non-hourly employees, please review the definition of the “same hourly rate” in Section 7 of the Rules.  

Q: When must an employee be paid after using earned paid sick time?  
A: When used, earned sick time must be paid on the same schedule as regular wages are paid. Employers may not delay compensating employees for earned paid sick time.  

Q: Are employers obligated to pay employees for unused earned sick time upon termination or at the end of employment?  
A: No. Employers are not required to pay out unused earned sick time when an employee leaves, but may do so voluntarily.  

Section G: Implementing the Earned Sick Time Law.  

Q: What is the “annual period” for tracking accrual, use, and carryover of earned sick time?  
A: Any consecutive 12-month period of time, as determined by an employer, as long as accrual tracking begins upon hire.  

Q: May an employer’s sick time policies differ from what the law requires?  
A: Yes. The law establishes minimum requirements. An employer is permitted to have a policy that is more generous. Employers may have different policies for different categories of employees as long as the minimum requirements are met for all non-exempt employees.  

Example: An employer may allow employees to earn or use more sick time than the law would require, give employees more than 40 hours of sick time up front at the beginning of the annual period, or permit employees to use sick time before it has accrued.  

Q: If an employee uses sick time, may the employer require the employee to find a replacement?  
A: No. An employer cannot require an employee to find a replacement as a precondition of using accrued sick time.
Q: If an employee leaves the employer, and then returns, what happens to the employee’s unused earned sick time?
A: It depends on if it was a voluntary separation or discharge:

<table>
<thead>
<tr>
<th>Time Between Last Day and Rehire</th>
<th>Voluntary Separation (Quit)</th>
<th>Discharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than a Year</td>
<td>Employee is not entitled to resume where they left off with their waiting period or banked time.</td>
<td>Employee is entitled to resume where they left off with their waiting period but not their banked time</td>
</tr>
<tr>
<td>More Than a Year</td>
<td>Employee is not entitled to resume where they left off with their waiting period or banked time</td>
<td>Employee is not entitled to resume where they left off with their waiting period or banked time</td>
</tr>
</tbody>
</table>

Q: What increments of leave time can an employee take off?
A: At the employer’s discretion, sick time can be used in either the smallest time increments that the employer’s payroll system permits or in increments of one hour.

Q: Can an employee use earned sick time before having accrued it?
A: Employers may arrange, at their discretion, for employees to use earned sick time before they accrue it and for employers to count the use against future accrual. An employer may not require the future accrual to be at a rate less than one hour for every 52 hours worked.

Section H: Using Other Paid Time off (PTO) Policies

Q: Can other paid time off (PTO) policies satisfy an employer’s obligation to provide earned sick time?
A: Yes, as long as employees can use the PTO (such as vacation time or personal leave) for the same purposes and with the same rights that they would be able to use earned sick time.

An employer may substitute an existing plan so long as employees:
1. accrue at the rate of at least one hour of PTO for every 52 hours worked;
2. between January 1, 2017 and December 31, 2018 may use up to 24 hours per year of PTO;
3. after January 1, 2019 may use up to 40 hours per year of PTO;
4. are paid at least the amount that would be required for earned sick time;
5. can use PTO for the same purposes as earned sick time;
6. receive a notice of their rights under the law; and
7. receive the same job protections.

Q: If an employee uses up all of his or her paid time off, does the employer have to provide additional time if the employee gets sick?
A: No, employers are not required to provide additional paid sick time to employees who use their time for other purposes and need sick time later in the year, provided that the minimum
hours required by the Act are met. Employers are well advised to provide notice to employees that additional time will not be provided.

Q: I don’t want to track accrual; can I provide a lump sum of earned sick time?
A: Employers may offer the time as a lump sum at the beginning of an annual period, but will still need to track usage.

Q: When do I have to provide these lump sums?
A: In order to avoid having to carry over unused sick time into a subsequent annual period, the lump sum must be provided at the beginning of the annual period.

Q: If an employer who offers more earned sick time than required by law changes their policy, can that employer take away sick days an employee has already earned?
A: No, an employer who offers more sick time than required by law can make a prospective change to reduce it to the minimum amount required, but that change cannot be made retroactively if an employee has already “earned” (accrued) that time. An employer could prevent employees from accruing more time in the future but must allow employees to use the sick time they have already earned.

Section I: Notification Requirements and Options for Employees Using Earned Sick Time

Q: Do employees need to notify their employers before they use earned sick time?
A: Yes. An employee must make a good faith effort to provide notice of the need in advance of the use of earned sick time, to the extent possible.

Q: Does an employee have to reference “Earned Sick Time” in order to use earned sick time?
A: No. An employee does not need to reference the law or the term “earned sick time” to his or her employer in order to use earned sick time, as long as it is used for a purpose authorized by the Act.

Q: What sort of notification system can an employer use?
A: Reasonable ones. Reasonable notice may include compliance with an employer’s reasonable notification system that the employee customarily uses to communicate with the employer for absences or requesting leave.

Q: Can an employer require advance notice about a pre-scheduled use of earned sick time like an annual check-up?
A: Yes, employers may require reasonable notice if the employee has a pre-scheduled or anticipated time the employee plans to take off to use earned sick time.

Q: What notice can an employer require for multi-day absences?
A: For multi-day absences, an employer may require notification of the expected duration of the leave from the employee or the employee’s surrogate (e.g. spouse, adult family member or other responsible party), unless the circumstances make such notice impracticable.
Q: Can an employer require post-use verification from employees?  
A: Yes, employers may require employees to provide reasonable proof that they used earned sick time for allowable purposes after using any amount of time. An employer may not require further information about the details of a medical condition or domestic violence.

Q: Can an employee be disciplined for using earned sick time fraudulently?  
A: If an employee is committing fraud or abuse by engaging in an activity that is not consistent with allowable purposes for earned sick time (e.g., being sick, caring for an ill family member), an employer may discipline the employee for misuse of earned sick time.

An employee may not be disciplined for using earned sick time for allowable purposes when following all other rules. Please see “retaliation” section of this document for more information.

Section J: Documentation Requirements and Options for Employers

Q: I work in an industry that requires an employee to certify that he or she is healthy enough to return to work. Can I still ask for documentation?  
A: An employer may require an employee to provide a fitness-for-duty certification, a work release, or other documentation from a medical provider before an employee returns to work after an absence during which earned sick time was used. An employer may only do so if such certification is customarily required and consistent with industry practice or state and federal safety requirements, and reasonable safety concerns exist regarding the employee’s ability to perform duties. “Reasonable safety concerns” means a reasonable belief of significant risk of harm to the employee or others.

Q: Can an employer delay compensating an employee for earned paid sick time until the employer receives documentation?  
A: No.

Section K: Recordkeeping and Disclosure Obligations for Employers

Q: Does an employer have to include accrued earned sick time and use on an employee’s wage statement?  
A: No. Employers are not required to provide earned sick time information on wage statements.

Q: Does an employer have to give employees access to their own earned sick time records?  
A: Yes.

Q: Do employers have to keep track of the sick time employees earn and use?  
A: Yes.

Q: Do employers have to post a notice about earned sick time rights for their employees?  
A: Yes, employers must post a notice of the Earned Sick Time Law where employees are likely to see it and in languages spoken by employees. The poster will be made available for download at www.labor.vermont.gov.
Section L: Retaliation Prohibited

Q: Can an employer retaliate against an employee for using earned sick time?
A: No. Retaliation is illegal. An employer cannot retaliate against an employee because the employee has exercised his or her rights under the Act, the employee lodged a complaint of a violation of the Act, the employee has cooperated with the Commissioner in an investigation of a violation of the Act, or the employer believes that the employee may lodge a complaint or cooperate in an investigation of a violation of the Act.

Section M: Violations

Q: How will the Earned Sick Time Law and regulations be enforced?
A: The law grants the Vermont Department of Labor the authority to issue civil citations against employers.

Q: Can employees file a complaint?
A: Employees can file a complaint with the Department of Labor's Wage and Hour Division.

The complaint form is available online at www.labor.vermont.gov.

Section N: Additional Information

Q: Where can I find more information about the law?
A: The Department of Labor’s website has more information about the law and regulations: www.labor.vermont.gov.

Questions: Additional questions can be addressed to the Department of Labor’s Wage and Hour Division at 802-828-0267.