

Legal Update Article

New Hampshire Adopts Paid Leave Program

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New Hampshire has joined eight states and the District of Columbia when, on June 24, 2021, the New Hampshire Legislature passed a two-year state budget that includes a paid leave program. Governor Chris Sununu signed the budget on June 25, 2021, and coverage must be provided by January 1, 2023.

The voluntary program, called the Granite State Paid Family Leave Plan, provides New Hampshire workers with 60 percent wage replacement for up to six weeks of work per year if they take time off for personal health or family reasons.

Employees who work for businesses that participate in the voluntary program can utilize the leave for:

- The birth of a child or caring for a newborn child for the first year;
- For newly adopted or fostered children within the first year;
- Care for an employee's spouse, child, or parent with a serious health condition;
- Care for a spouse, child, or parent who is in the military;
- A personal serious health condition that is independent of employment, if the employer does not offer short-term disability insurance.

This paid family and medical leave program comes after several years of bipartisan debate over the issue. While some states have made participation in the paid leave program mandatory, the New Hampshire program is voluntary, meaning both individuals and employers can choose whether to participate in the program.

The 10,000 employees of the state will receive this benefit automatically, and they will serve as the risk pool for the program. The law requires that the insurance carrier, or carriers that are awarded the state employee insurance contract, allow all public employers, as well as private employers with more than 50 employees, to opt into the Granite State Paid Family Leave Plan policies.

Employers that opt-in to the program must participate in payroll deductions and provide heightened employment protections, such as continuation of health insurance coverage during leave, as well as protection from discrimination and retaliation from utilizing the leave.

Tax credits are provided to employers who opt-in to the program. Individuals working for employers that do not choose to participate in the program or have equivalent paid leave programs can opt-in to the Granite State Paid Family Leave Plan through the individual pool. Employers are responsible for remitting the employee paid premiums to the state by a payroll deduction.

The effective date of the law is July 1, 2021, requiring the Request for Proposal process to begin no later than March 31, 2022.

We will continue to provide updates as this new leave program is implemented. Please contact a Jackson Lewis attorney with any questions.

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