

HB 1178-FN - AS INTRODUCED

2024 SESSION

24-2213

12/10

HOUSE BILL ***1178-FN***

AN ACT relative to an employee's unused earned time.

SPONSORS: Rep. M. Cahill, Rock. 10; Rep. M. Pearson, Rock. 34; Rep. McLean, Hills. 15; Rep. Grassie, Straf. 8; Sen. Perkins Kwoka, Dist 21

COMMITTEE: Labor, Industrial and Rehabilitative Services

ANALYSIS

This bill requires an employer to pay an employee for unused earned time.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to an employee's unused earned time.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Section; Day's Work; Days of Rest; Unused Earned Time. Amend RSA 275 by inserting
2 after section 35 the following new section:

3 275:35-a Unused Earned Time.

4 I. An employer that employs 15 or more employees and offers paid earned time to such
5 employees shall comply with the following:

6 (a) Inform employees in writing of any policy regarding accrual or use of unused earned
7 time and any limits on accrual or use. In the absence of an accrual system, earned time shall be paid
8 on a prorated basis.

9 (b) Provide a means through which earned time requests and approvals are processed.

10 (c) Provide employees with an accounting of earned time used and unused earned time
11 remaining.

12 II. For the purpose of this section, the terms "earned time," "vacation" or "vacation time,"
13 and "paid time off" have the same meaning, and their value as wages shall be paid to the employee.
14 For the purposes of this section, "sick time" or "sick days" shall be paid pursuant to the employer's
15 practice or policy.

16 2 New Paragraph; Protective Legislation; Wages. Amend RSA 275:43 by inserting after
17 paragraph V the following new paragraph:

18 V-a. An employee whose termination is the result of a layoff, shall be paid for unused earned
19 time no later than the next regular pay period. If the termination is the result of a change of
20 business ownership, the prior employer shall, upon completion of the transfer of ownership, pay the
21 employee's unused earned time wages or transfer the employee's unused earned time to the new
22 employer. For the purpose of this paragraph, the terms "earned time," "vacation" or "vacation time,"
23 and "paid time off" have the same meaning, and their value as wages shall be paid to the employee.
24 For the purposes of this section, "sick time" or "sick days" shall be paid pursuant to the employer's
25 practice or policy.

26 3 Effective Date. This act shall take effect 60 days after its passage.

**HB 1178-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to an employee's unused earned time.

FISCAL IMPACT: ☒ State ☒ County ☒ Local ☐ None

Estimated State Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures	\$0	Up to \$2 million	Up to \$2 million	Up to \$2 million
<i>Funding Source(s)</i>	General Fund and Highway Fund Various Agency Funds			
Appropriations	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

- Does this bill provide sufficient funding to cover estimated expenditures? ☒ N/A
- Does this bill authorize new positions to implement this bill? ☒ No

Estimated Political Subdivision Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill requires an employer to pay an employee for unused earned time. The Department of Administrative Services states this bill has an indeterminable fiscal impact ranging from zero to \$2 million in State expenditures. The Department is unable to estimate the proportion of paid leave that will be utilized versus paid out to applicable employees. However, the Department did identify 850 full-time employees that do not currently accrue paid leave in the State's NH FIRST system. The Department calculated if the maximum value of paid leave for these individuals, allocated at the same rate as proscribed by the Personnel Rules and was paid out at each employee's current hourly rate (as of 10/24/2023), the maximum fiscal impact would be \$2 million. If these same individual were paid out at anything less than the maximum the fiscal impact would be reduced.

County and local government would also experience an indeterminable increase expenditures to the extent that they have employees who would be impacted by this bill.

It is assumed any this fiscal impact would not occur until FY 2025.

AGENCIES CONTACTED:

Department of Administrative Services