

Three Models for Vermont (March 19, 2019), IWPR Modeling Results converted to 2019 Dollars

| | Model 1 | Model 2 | Model 3 |
|---|--|--|--|
| | 12 weeks for maternity/bonding 8 weeks for family care, own medical Wage repl 90% up to VLW and 50% above VLW up to 2.5 times VLW No self-employed | 12 weeks for maternity/bonding 9 weeks for family care, own medical Wage repl 90% up to VLW and 60% above VLW up to 2 times VLW No self-employed | 12 weeks for maternity/bonding 6 weeks for family care, own medical Wage repl 80% up to VLW and 60% above VLW up to 2 times VLW No self-employed |
| Number of Leaves Taken and Receiving FMLI Benefits | | | |
| Own Serious Health Condition (Self Care) | 9,103 | 9,217 | 9,280 |
| Parental/Bonding | 4,217 | 4,217 | 4,272 |
| Family Care | 1,754 | 1,826 | 1,880 |
| Total | 15,074 | 15,260 | 15,432 |
| Weeks Receiving Program Benefits | | | |
| Own Serious Health Condition (Self Care) | 6.6 | 7.1 | 5.3 |
| Parental/Bonding | 8.3 | 8.4 | 8.2 |
| Family Care | 4.2 | 4.3 | 3.6 |
| Overall | 7.3 | 7.8 | 6.4 |
| Average Weekly Benefit | \$674 | \$689 | \$634 |
| Benefit Cost (\$millions, 2019) | | | |
| Own Serious Health Condition (Self Care) | \$39.8 | \$45.4 | \$30.8 |
| Parental/Bonding | \$24.2 | \$24.2 | \$22.4 |
| Family Care | \$4.6 | \$5.2 | \$4.1 |
| Total Benefit Cost | \$68.9 | \$74.7 | \$57.4 |
| Administrative (5 percent, \$millions) | \$3.4 | \$3.7 | \$2.9 |
| Total Cost (\$millions, 2019) | \$72.4 | \$78.4 | \$60.3 |
| VT-LJFO Taxable Earnings (\$millions, 2019) | \$14,125.1 | \$14,125.1 | \$14,125.1 |
| Cost as a Percent of Total Earnings | 0.50% | 0.55% | 0.42% |

Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey (ACS) and 2012 FMLA Employees survey (10 replications run 18-19 March 2019).

| Cash Flow for Model 1 Family and Medical Leave using ADS/VDOL costs for IT and Administration of Program, Tax Dept. estimate | | | | | | | |
|--|------------------------------|-------------------------|-------------------------|----------------------------------|---------------------------------|----------------------|-----------------|
| PRELIMINARY – Steady Economy, 12/8 wks, 90/50 repl, max ben 2.5 VLW | | | | | | | |
| Assumptions/Parameters | Tax Dept IT Development Cost | ADS IT Development Cost | Pyrl Tax Rate, Yr 2-5 | Int rate on Treas funds, Yrs 2-4 | Int rate on Treas funds, Yrs 5+ | Pyrl Tax Rate, Yr 6+ | |
| Tax IT: Collect contributions | \$1,000,000 | \$11,350,000 | 0.530% | 2.50% | 2.50% | 0.550% | |
| VDOL IT: All else | | | | | | | |
| | Start System 7/1/19 | Start Taxes 7/1/20 | Start Benefits 10/1/21 | | | | |
| | One year start-up | No ben's in FY2020 | Fully operating in Oct. | Fully operating | Fully operating | Fully operating | Fully operating |
| | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| PROGRAM REVENUE | \$0 | \$76,556,075 | \$77,704,416 | \$78,869,982 | \$80,053,032 | \$84,320,010 | \$85,584,810 |
| Contributions from payroll tax | \$0 | \$76,556,075 | \$77,704,416 | \$78,869,982 | \$80,053,032 | \$84,320,010 | \$85,584,810 |
| TOTAL COSTS (ben, IT, admin, addn to reserves) | \$5,532,200 | \$76,613,685 | \$62,962,277 | \$66,929,455 | \$71,090,395 | \$75,453,076 | \$76,905,019 |
| Benefits paid | | | \$53,605,015 | \$72,545,453 | \$73,633,635 | \$74,738,140 | \$75,859,212 |
| IT product development & personnel (ADS) | \$4,865,200 | \$6,484,400 | \$1,216,962 | \$1,222,691 | \$1,228,592 | \$1,234,669 | \$1,240,929 |
| Admin costs from VDOL for Yr3+ (\$6 to \$10mil) | | | \$8,000,000 | \$8,184,000 | \$8,372,232 | \$8,564,793 | \$8,761,784 |
| IT/Personnel costs from Tax Dept | \$667,000 | \$977,490 | \$659,313 | \$674,477 | \$689,990 | \$705,860 | \$722,095 |
| Needed additions to reserves | | \$69,151,795 | -\$519,013 | -\$15,697,167 | -\$12,834,054 | -\$9,790,387 | -\$9,679,001 |
| Reserves required: 9 mos bens & admin at t+1 | | \$63,481,290 | \$64,490,258 | \$65,516,041 | \$66,558,928 | \$67,619,217 | \$68,719,304 |
| Reserve balance carried forward | | -\$5,532,200 | -\$57,610 | \$14,742,139 | \$11,940,527 | \$8,962,637 | \$8,866,934 |
| Interest earned on reserves | \$0 | -\$138,305 | \$1,585,592 | \$1,980,810 | \$1,936,414 | \$1,888,039 | \$1,912,154 |
| Excess fund balance as of start of year | \$0 | -\$5,670,505 | \$1,527,982 | \$16,722,949 | \$13,876,942 | \$10,850,676 | \$10,779,088 |
| EXCESS FUND BALANCE | -\$5,532,200 | -\$57,610 | \$14,742,139 | \$11,940,527 | \$8,962,637 | \$8,866,934 | \$8,679,791 |

| For Reference: | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Wages subject to PFL tax (update 1mar2019) | \$14,231,076,279 | \$14,444,542,423 | \$14,661,210,560 | \$14,881,128,718 | \$15,104,345,649 | \$15,330,910,834 | \$15,560,874,496 |
| % Change in Wage Base (use historical) | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |
| Total benefits, IWPR estimate grow at 1.5% | \$69,376,450 | \$70,417,097 | \$71,473,353 | \$72,545,453 | \$73,633,635 | \$74,738,140 | \$75,859,212 |
| Admin as Share of Benefits | | | 18.4% | 13.9% | 14.0% | 14.1% | 14.1% |