HOUSE BILL 532

AN ACT relative to payment for earned but unused vacation or personal time.


COMMITTEE: Labor, Industrial and Rehabilitative Services

AMENDED ANALYSIS

This bill requires an employer to pay its employees for earned but unused vacation 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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
HB 532 - AS AMENDED BY THE HOUSE

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to payment for earned but unused vacation or personal time.

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

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

275:35-a Vacation Time. An employer that offers paid vacation time to its employees shall comply with the following:

I. Inform employees in writing of any policy regarding accrual or use of vacation time and any limits on accrual or use. In the absence of an accrual system, unused time shall be paid on a prorated basis.

II. Provide a means through which vacation time requests and approvals are processed.

III. Provide employees with an accounting of vacation time used and vacation time remaining.

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

V-a. Upon termination of employment for any reason, an employer shall, no later than the next regular pay period, pay an employee for unused vacation time.

3 Effective Date. This act shall take effect 60 days after its passage.
AN ACT relative to payment for earned but unused vacation or personal time.

FISCAL IMPACT:  [ ] State     [X] County     [X] Local     [ ] None

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<th>LOCAL:</th>
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METHODOLOGY:

This bill requires an employer to pay its employees for earned but unused vacation time. The Department of Administrative Services indicates this bill would not affect State expenditures because the State is not required to comply with the requirements of RSA Chapter 275. In addition, the State already meets the requirements of the bill by having written policy that is shared with all employees, a process for vacation time requests and approval, and an accounting of vacation time used and remaining. Existing State personnel rules already provide for payment of used vacation time upon separation of employment.

The New Hampshire Municipal Association states the requirement to pay employees for unused vacation time upon termination may cause an increase in municipal expenditures as employers are not currently required to make such payments. Any impact on a municipal expenditures cannot be determined because the Association does not have information about municipalities’ practices with respect to payment for unused vacation time. There would be no impact on municipal revenue.

The New Hampshire Association of Counties indicates the bill would increase county government expenditures by an indeterminable amount. The Association indicates there are circumstances described in current county policies where unused vacation time is not paid upon termination, such as when an employee quits without notice. There would be no impact on county revenue.
AGENCIES CONTACTED:

Department of Administrative Services, New Hampshire Municipal Association and New Hampshire Association of Counties