



House of Representatives

General Assembly

File No. 162

January Session, 2007

House Bill No. 7317

House of Representatives, March 27, 2007

The Committee on Labor and Public Employees reported through REP. RYAN, K. of the 139th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT ALLOWING RETENTION OF PAID VACATION DAYS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2007*) If an employer, excluding
2 the state, municipalities, local or regional boards of education and
3 private or parochial elementary or secondary schools, provides paid
4 vacation days to its employees, and an employee of such employer
5 does not use all of his or her paid vacation days during the calendar
6 year in which such days accrue, the employer shall elect either to (1)
7 permit the employee to use such vacation days during the calendar
8 year following the last day of the calendar year in which such vacation
9 days accrued, or (2) make a lump sum payment to the employee,
10 before the end of the calendar year following the last day of the
11 calendar year in which such unused days accrued, equal to, for each
12 unused vacation day, the employee's base pay per day at the time such
13 vacation day accrued. Nothing in this section shall be deemed to
14 require any employer to provide paid vacation days or to impair or
15 alter the provisions of any collective bargaining agreement relating to

16 the provision or use of vacation days. Any employer that violates the
17 provisions of this section shall be liable to the Labor Department for a
18 civil penalty of not more than two hundred fifty dollars for each such
19 violation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	New section

LAB *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Labor Dept.	GF - Revenue Gain	Potential Minimal	Potential Minimal
Labor Dept.	GF - Cost	Potential Minimal	Potential Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill could result in a potential minimal revenue gain. Employers that violate the provisions of the bill will be liable to the Department of Labor for a civil penalty of up to \$250 per violation.

The Department of Labor handles approximately 3,300 wage complaints per year regarding overtime. Many of these cases also involve vacation day discrepancies. The passage of this bill could result in a potential minimal cost associated with the increased number of complaints.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the rate of violations and complaints.

OLR Bill Analysis**HB 7317*****AN ACT ALLOWING RETENTION OF PAID VACATION DAYS.*****SUMMARY:**

This bill requires employers that provide paid vacation to allow employees to keep accrued and unused vacation time beyond the calendar year when it accrued. Current law does not regulate use of private-sector paid vacation time.

Under the bill, an employer must either (1) give the employee one additional calendar year to use the accrued time or (2) pay the employee a lump sum by the end of that additional year, for the unused time. The lump sum must be calculated using the employee's base pay at the time each vacation day accrued.

The bill exempts the state, municipalities, local and regional education boards, and private or parochial schools. The bill specifies that it does not (1) require an employer to provide paid vacation days or (2) impair or alter any provision of a collective bargaining agreement regarding vacation days.

The bill makes employers that violate its provisions liable to the Labor Department for a civil penalty of up to \$250 per violation.

EFFECTIVE DATE: October 1, 2007

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 8 Nay 2 (03/13/2007)