

Client Alert

Vermont Pay Transparency and Expansion of the Parental and Family Leave Act

I. Pay Transparency

WHAT'S NEW: Governor Phil Scott signed An Act Relating to Disclosure of Compensation in Job Advertisements which is effective on July 1, 2025.

WHY IT MATTERS: Under the new law, all employers with 5 or more employees where at least one is located in Vermont must provide the compensation rate or range on written job advertisements. This applies to positions that are physically located in Vermont or a remote position that is “predominantly performed” in Vermont. This requirement applies to external advertisements as well as internal company notices, postings, and emails.

WHAT EMPLOYERS SHOULD DO:

1. Before July 1, 2025, employers with 5 or more employees should:
2. Review current job posting procedures to ensure compliance with the law, including any procedures utilizing third-party recruitment.
3. Review job posting templates and revise to include sections for compensation rates and ranges.
4. Remember that current and future employees will be able to see hiring rates for new positions.

Consider establishing policies and protocols to determine and document pay scales for positions to ensure fairness and consistency. Policies should be based on objective criteria, including but not limited to education, experience, and market rates. These policies should be consistent across the organization, regardless of worksite location.

II. Expansion of the Paid Family Leave Act

WHAT'S NEW: Governor Phil Scott signed House Bill 461 substantially expanding the Vermont Parental and Family Leave Act with changes effective on July 1, 2025.

WHY IT MATTERS: Employers must allow eligible employees to take job-protected leave under the newly expanded Vermont Parental and Family Leave Act.

Employees must be permitted to take leave for the following reasons:

- Related to domestic violence, sexual assault, or stalking.
- For a qualifying military exigency.
- To bond with an adopted child 18 years and younger.
- For up to 2 weeks as bereavement leave.

The new requirements also significantly expand the definition of covered family members to include:

- Child of the employee's spouse or civil union or domestic partner.
- Child to whom the employee stands in loco parentis, regardless of legal documentation.
- Individual to whom the employee stood in loco parentis when the individual was under 18 years of age.
- Individual for whom the employee provides caregiving responsibilities similar to those of a parent-child relationship.
- Parent of an employee's spouse or civil union or domestic partner.
- Legal guardian of an employee or employee's spouse or civil union or domestic partner.
- A person who stands in loco parentis for the employee or who stood in loco parentis when the employee or employee's spouse or civil union or domestic partner was under 18 years of age.
- A person to whom the employee is legally married under the laws of any state or a civil union or domestic partner of an employee.
- Grandparent, grandchild, or sibling of the employee or the employee's spouse or civil union or domestic partner.

(In loco parentis means someone who is acting in the capacity of a parent in relation to a specific person).

Finally, the definition of relationships that qualify for short-term family leave are expanded to include the same covered relationship as listed above.

WHAT EMPLOYERS SHOULD DO:

Before July 1, 2025, employers with 10 or more employees in Vermont should review and update current policies regarding parental and family leave to ensure compliance with the law. Here is a [sample compliant Parental and Family Leave Act policy](#).

If you have any questions, please contact your HR Consultant/Business Partner.