

*Working Together
for Vermont*

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Commissioner's Message

Tom Douse, VDOL Deputy Commissioner and Acting Commissioner

Federal Funding Reductions

The Vermont Department of Labor (VDOL), in particular the Workforce Development Division, continues to experience significant federal funding reductions, with the current year's budget reflecting total cuts in excess of \$1,000,000. In order to accommodate these cuts, VDOL has received authorization from the Joint Fiscal Committee to implement a new Service Delivery Plan that will reduce operating costs without sacrificing services to employers and job seekers.

The defining factor in designing the new service delivery model was the recognition that VDOL services are more dependent on dedicated personnel than on the costly network of twelve offices where staff are currently located. It was, in fact, a classic people versus bricks and mortar decision. The process of recruiting workers or finding a job is not tied to a physical location, but does require skilled personnel and access to reliable technology. We believe that service delivery should be driven by customer demand, and in a fast-paced technology driven environment, it is no longer effective to staff and equip a "resource room" and wait for customers to come through the door.

The impact of technology has already been felt in our district offices as evidenced by a recent decline in customer traffic. In 2004, the Workforce Development Division invested considerable resources in Vermont JobLink (VJL), a job matching and workplace information service for employers and job seekers. VJL allows employers to post job openings with or without staff assistance, and allows job seekers to establish a self-service Internet account to manage their job search, or receive assistance from professional staff in finding a job that matches their experience, interest, and education. Customer acceptance of VJL has been very strong, and currently almost 40% of employer job postings are entered and maintained by employers from their places of business. Nearly 45% of job seeker registrations are completed by individuals themselves from wherever they access the Internet. Every computer with Internet capability has become a virtual VDOL service access point. However, we recognize that Internet service is not appropriate for all customers and our new plan will include ways to serve customers who cannot, or do not wish to, use the Internet.

We will maintain six of our existing offices in their current locations: Burlington, Rutland, Bennington, Springfield, Barre, and St. Johnsbury. In the other six districts: St. Albans, Middlebury, Brattleboro, White River, Morrisville,

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The Edge

What Every Employer Needs To Know About Road-Way Safety

Every Vermont employer has a crucial role to play in increasing the use of seat-belts in motor vehicles. Because Vermont is the most rural of all the states in the nation, its residents are on the road every day going to and from work, running errands and delivering products and services. Government sources report that traffic crashes are the number one cause of death in the workplace. It is also documented that well more than half (62%) of everyone killed in a motor vehicle crash was not wearing a seatbelt at the time of the crash. In addition to the immense personal tragedy suffered by employees and their families each-on-the-job crash can cost employers thousands of dollars. These costs reflect payments for medical care, workers compensation rates, property damage, lost productivity, substitute labor, replacement transportation, delays in shipment of products, and third party damage and injury.

The fact is, however, that driving a motor vehicle is not an instinctive behavior. People have to make conscious adjustments in their behavior to make driving safe. Plus, the definition of "workplace" now extends way beyond the traditional assembly line in the manufacturing plant. The "workplace" now includes our highways, from the speedy Interstate system to our primary and secondary state system.

Employers need to know there is a direct connection between workers

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Commissioner's Message –

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and Newport, services will be available at less expensive, but equally accessible locations. Recognizing that transportation is an issue with many of our customers, particularly in rural areas, we expect to identify multiple access points in the above regions. It is important to note that we're not abandoning any of our existing districts; rather, we are shifting from expensive fixed offices to affordable points of access.

VDOL will immediately begin to secure suitable space in the above six districts, as well as establishing outposts in additional areas. VDOL case managers who provide services under the Workforce Investment Act, as well as VDOL staff who provide labor exchange services for employers and job seekers, will be available at multiple sites on a scheduled basis. Services to Reach Up participants under an inter-departmental grant with the Department for Children and Families will not be impacted. Service locations and schedules will be well publicized and will be changeable based on public response. The actual locations selected may include other state agencies, the community college, public libraries, teen centers, senior centers, or community-based organizations.

The flexibility to decrease or increase staff presence, and to assign the most appropriate staff for the level and type of services needed is not only more cost effective, but a major step toward better customer service.

Contact VDOL

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compensation and road-way safety and that privately-owned vehicles have joined company-owned fleets as mobile workplaces. Employers also need to know that motor vehicle crashes are among the largest contributors to workers compensation losses. Here in Vermont, according to statistics from 2002, 330 injuries from motor vehicle crashes were reported of which 117 (35%) involved lost time from the job.

Since our highways are considered, in some circles, as a "workplace," businesses may have to become more influential in the decision-making process to make road-ways and motor vehicles safer. This could involve creating a liaison between business groups and government agencies, to the development of company policies concerning the use of seat belts, substance abuse, and other issues involving safety on the highway.

Businesses are required by law to provide a safe workplace for their employees. Enforced company policies concerning the use of safety devices in the workplace are essential to a company's stance in a workers compensation case.

For instance, if a worker is using a company-owned vehicle and the company has an enforced seatbelt policy, the worker may be denied workers compensation benefits if s/he is in a crash and is not wearing a seatbelt.

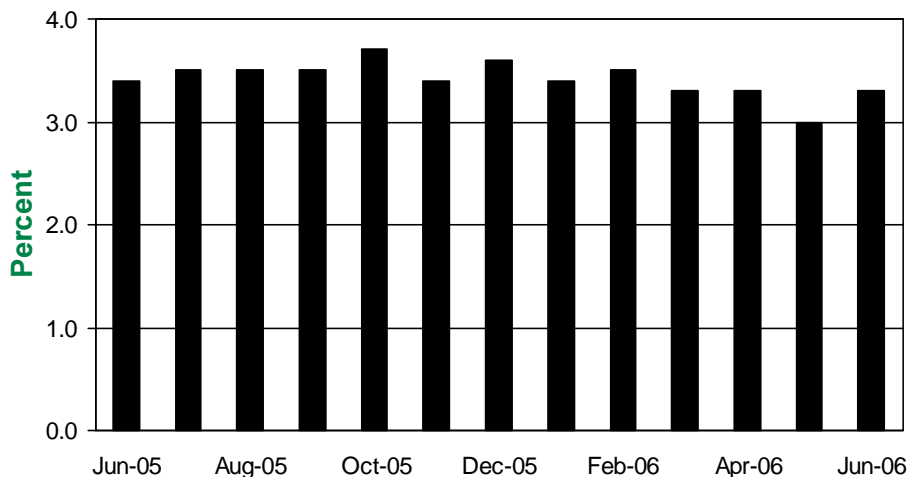
If a worker is using a personal vehicle for company business, since the employer did not provide the safety appliance (the seatbelt, because it came with the vehicle), the employer cannot claim a defense against a workers' compensation claim even if the worker was not wearing a seat belt. However, since the company has an enforced seatbelt policy, the worker may, and should be disciplined for not wearing the seatbelt.

An employer who wishes to deny a workers' compensation claim because the employee failed to use a "safety appliance" must meet a three-part test:

- 1) Notice of the safety rule and explanation of danger of violation must be provided. This includes:
 - a. "Safety Appliance" or equipment must be provided; and
 - b. Training in the proper use of the "safety appliance" or equipment.
- 2) Enforcement of the safety rule, appliance or protocol must be diligent.
- 3) The employee must have no valid excuse for violating the safety rule.

Time and attention spent on creating and enforcing a company safety program can not only limit injuries and liability, but be economically beneficial to the bottom line. ***It really is true that "safety is profitable."***

Vermont Seasonally Adjusted Unemployment Rate



Vermont Unemployment Estimates Statewide *(Seasonally Adjusted)*

	June '06	May '06	June '05	Changes from:	
				May '06	June '05
TOTAL LABOR FORCE¹	361,900	361,300	354,900	600	7,000
EMPLOYED	349,900	350,600	342,900	-700	7,000
UNEMPLOYED	12,000	10,700	12,000	1,300	0
RATE (%)	3.3	3.0	3.4	0.3	-0.1

¹Includes proprietors, professionals, and unpaid family workers.

Labor Market Areas By Residence *(Not Seasonally Adjusted)*

AREA	Total Labor Force	Number Employed	Number Unemployed	June-06 Rate (%)	May-06 Rate (%)	June-05 Rate (%)
Barre-Montpelier	30,500	29,450	1,050	3.5	2.9	3.4
Bennington	12,600	12,150	450	3.5	2.6	3.5
Bradford	5,350	5,200	150	3.2	2.9	3.2
Brattleboro	25,000	24,350	850	3.5	3.3	3.2
Burlington-South Burlington	116,850	113,200	3,700	3.2	2.5	3.2
Hartford	19,800	19,400	350	1.9	1.6	1.9
Manchester	12,450	12,100	400	3.1	3.2	3.3
Middlebury	17,750	17,200	550	3.1	2.3	3.0
Morristown-Stowe	21,100	20,450	650	3.0	2.8	3.1
Newport	14,550	14,000	550	3.8	3.6	4.0
Randolph	8,550	8,250	300	3.8	2.9	3.5
Rutland	28,750	27,550	1,150	4.0	3.8	4.2
Springfield	11,950	11,500	450	3.9	3.6	3.9
St. Johnsbury	15,200	14,700	500	3.4	2.6	3.4
Swanton-Enosburg	14,600	14,050	550	3.7	3.2	3.7
Warren-Waitsfield	4,450	4,300	100	2.7	2.5	2.7
Woodstock	3,850	3,750	100	2.5	1.9	2.8
Vermont Total	365,900	353,850	12,000	3.3	2.8	3.3

AREAS FROM ADJOINING STATES INCLUDING VERMONT TOWNS *(Not Seasonally Adjusted)*

Colebrook, NH-VT	3,750	3,650	150	3.5	4.6	5.1
Lebanon, NH-VT	46,500	45,400	1,100	2.3	1.9	2.4
Littleton, NH-VT	15,900	15,450	450	2.9	3.1	3.0
North Adams, MA-VT	17,250	16,400	850	4.9	4.8	4.9

Monthly estimates are preliminary and subject to revision. Detail may not add to totals due to rounding.

Vermont Seasonally Adjusted Nonfarm Employment in Thousands

BY NAICS	Prelim.	Revised	Revised	Changes From:	
	June '06	May '06	June '05	May '06	June '05
Total - All Industries	307.2	308.0	305.0	-0.8	2.2
Private Industries	254.5	255.0	252.4	-0.5	2.1
Construction	17.5	17.6	16.9	-0.1	0.6
Manufacturing	36.6	36.6	36.8	0.0	-0.2
Trade, Transportation & Utilities	59.9	59.8	59.4	0.1	0.5
Retail Trade *	40.9	40.8	40.6	0.1	0.3
Financial Activities	13.3	13.2	13.2	0.1	0.1
Professional & Business Services	22.3	22.2	21.8	0.1	0.5
Education & Health Care	54.7	55.2	54.2	-0.5	0.5
Private Ed. Services*	12.4	12.6	12.5	-0.2	-0.1
Health Care & Social Assistance*	42.1	42.4	41.8	-0.3	0.3
Leisure & Hospitality	33.4	33.2	33.2	0.2	0.2
Other Services	10.0	10.0	10.0	0.0	0.0
Total Government	52.7	53.0	52.6	-0.3	0.1

*These estimates are not endorsed by the U.S Bureau of Labor Statistics.

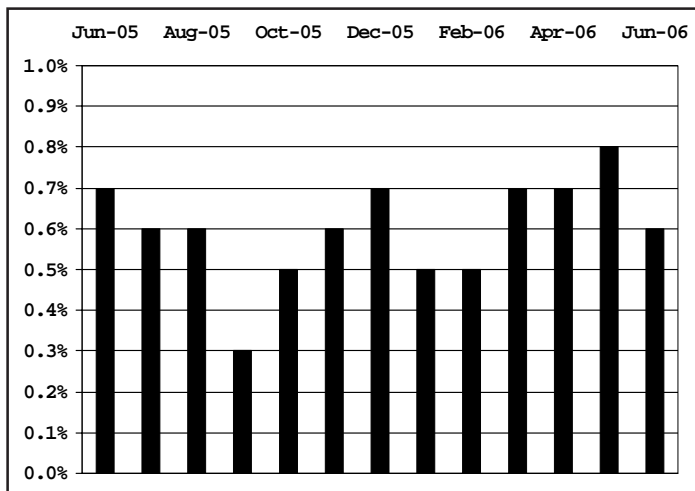
Note: Total - All Industries estimate is seasonally adjusted independently.

All seasonal adjustment performed with X12-ARIMA. Seasonal factors available from VDOL/LMI on request.

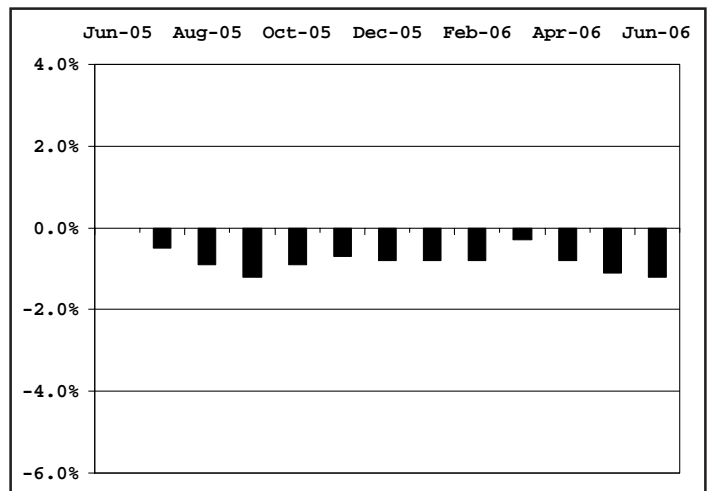
Produced by the Vermont Department of Labor in cooperation with the U.S Bureau of Labor Statistics, unless otherwise noted.

Vermont Annual Job Growth Not Seasonally Adjusted Data

All Industries



Manufacturing



Nonfarm Employment In Vermont *(Not Seasonally Adjusted)*

Compiled by the Vermont Department of Labor in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

INDUSTRY BY NAICS	Prelim.	Revised	Revised	Changes From:	
	June '06	May '06	June '05	May '06	June '05
TOTAL NONFARM	309,050	307,400	307,100	1,650	1,950
TOTAL PRIVATE	256,700	251,950	255,250	4,750	1,450
GOODS PRODUCING	56,400	55,100	56,450	1,300	-50
MANUFACTURING	36,800	36,450	37,250	350	-450
Durable Goods	26,550	26,450	26,700	100	-150
Computer & Electrical Equipment Mfg.	9,400	9,400	9,250	0	150
Fabricated Metal Products Mfg.	3,100	3,050	2,950	50	150
Machinery Mfg.	3,100	3,050	3,100	50	0
Transportation Equipment Mfg.	2,400	2,400	2,450	0	-50
Furniture & Related Product Mfg.	1,950	1,900	2,100	50	-150
Non-Durable Goods	10,250	10,000	10,550	250	-300
Food Mfg.	3,700	3,600	3,800	100	-100
CONSTRUCTION	18,800	17,900	18,300	900	500
NATURAL RESOURCES & MINING	800	750	900	50	-100
SERVICE-PROVIDING	252,650	252,300	250,650	350	2,000
TRADE, TRANSPORTATION AND UTILITIES	60,300	59,500	59,600	800	700
Wholesale Trade	10,200	10,100	10,050	100	150
Retail Trade	41,000	40,450	40,650	550	350
Food & Beverage Stores	9,700	9,500	9,650	200	50
General Merchandise Store	2,750	2,700	2,850	50	-100
Transportation, Warehousing and Utilities	9,100	8,950	8,900	150	200
Utilities	1,750	1,700	1,700	50	50
Transportation & Warehousing	7,350	7,250	7,200	100	150
INFORMATION	6,400	6,350	6,250	50	150
FINANCIAL ACTIVITIES	13,400	13,250	13,450	150	-50
Finance & Insurance	10,050	10,000	10,050	50	0
Real Estate, Rental & Leasing	3,350	3,250	3,400	100	-50
PROFESSIONAL AND BUSINESS SERVICES	22,800	22,400	22,250	400	550
Professional, Scientific and Technical	13,100	12,950	12,800	150	300
Administrative, Support and Waste	9,450	9,150	9,150	300	300
EDUCATIONAL AND HEALTH SERVICES	54,000	55,300	53,800	-1,300	200
Educational Services	11,650	12,800	11,800	-1,150	-150
College, Universities and Professional	5,950	6,850	6,100	-900	-150
Health Care and Social Assistance	42,350	42,500	42,000	-150	350
Ambulatory Health Care Services	15,800	15,700	16,000	100	-200
Hospitals	10,900	10,800	10,600	100	300
Nursing and Residential Care Facilities	6,750	6,700	6,750	50	0
LEISURE AND HOSPITALITY	33,200	30,050	33,150	3,150	50
Arts, Entertainment and Recreation	4,400	3,950	4,450	450	-50
Accommodation and Food Services	28,800	26,100	28,700	2,700	100
Accommodations	9,750	8,050	9,600	1,700	150
Hotel & Motels	8,250	7,100	8,100	1,150	150
Food Services and Drinking Places	19,050	18,050	19,100	1,000	-50
OTHER SERVICES	10,200	10,000	10,300	200	-100
GOVERNMENT	52,350	55,450	51,850	-3,100	500
Federal Government	6,000	5,950	6,100	50	-100
State Government Education	6,550	8,000	6,400	-1,450	150
Local Government Education	22,500	24,850	22,400	-2,350	100
Other State Government	9,800	9,650	9,550	150	250
Other Local Government	7,500	7,000	7,400	500	100



Wage and Hour Program

In September of 2005 we reported in this publication Vermont's Wage and Hour Program had merged with the Unemployment Insurance Program. As anticipated, the merger has enabled coordinated resources and practices, which has enhanced both programs.

Vermont's Wage and Hour Program functions under Title 21, Vermont Statutes Annotated (VSA), Chapter 5 (Subchapters 1 through 4), in accordance with the Federal Fair Labor Standards Act (FLSA), as amended.

The Wage and Hour Program's primary functions include:

- investigation and attempted resolution of disputes involving wages, benefits and wage supplements;
- education and enforcement concerning minimum wage and overtime requirements;
- education and enforcement concerning child labor laws;
- providing employers with legally required posters and policies;
- responding to inquiries and providing information concerning employer/employee related issues including Vermont's family and parental leave act, fair employment practices act, sexual harassment act, and laws addressing military, legislative, and juror duty leave.

Minimum Wage

Vermont's minimum wage law covers employers employing two or more employees, unless exempted by statute. Exemptions include, but are not limited to:

- full-time high school students
- agriculture workers
- taxi cab drivers
- outside salespersons
- newspaper or advertisement home delivery persons
- persons employed in the activities of a publicly supported non-profit organization (except laundry employees and nurses aides or practical nurses)
- a person employed in a bona fide executive, administrative, or professional capacity
- a person employed in domestic services in or about a home
- a person employed by the United States government

Although full time high school students are exempt from Vermont's minimum wage requirement, federal law provides for a minimum compensation for these students. If you are a federally covered employer interested in the federal youth minimum wage, contact the U.S. Department of Labor at (802) 951-6283 for more information.

All Employees (except service/tipped)	Minimum Wage
Effective 01/01/06	\$7.25 per hour
Effective 01/01/07 and annually thereafter	Minimum wage will increase from previous year plus 5% or the percentage increased of CPI-U U.S., city average, not seasonally adjusted, whichever is smaller. (See below)

Service and Tipped Employees	Basic Wage Rate	Tip Credit
Effective 01/01/06	\$3.65 per hour	\$3.71
Effective 01/01/07	\$3.65 per hour	Tip credit rate from the previous year plus 5% or the percentage increased of CPI-U U.S., city average, not seasonally adjusted, whichever is smaller. (See below)

Act 82 of the 2005 Vermont General Assembly stated in part, effective with January 1st, 2007 and annually thereafter, minimum wage will increase from previous year plus 5% or the percentage increased of Consumer Price Index, CPI-U U.S., city average, not seasonally adjusted, or successor index, as calculated by the U.S.

Department of Labor or successor agency for the 12 months preceding the previous September 1st, whichever is smaller. For purposes of service and tipped employees, the Basic Wage Rate shall remain at \$3.65 per hour and the Tip Credit shall increase each year in the same amount as the minimum wage. Current information on minimum wage is always available on our website at www.labor.vermont.gov or by calling (802) 828-0257.

Child Labor information

There are specific rules and regulations governing employment of individuals under the age of 18 who are employed in non-agricultural or agricultural employment. If you are employing or considering employing individuals under the age of 18, pertinent child labor information is available on our website at www.labor.vermont.gov or by calling (802) 828-0257.

Deductions from employees pay

An employer may apply wage deductions as follows:

1. Deductions for good or services

An employer may deduct for goods and services provided by the employer to the employee if the following conditions are met:

- a) The deduction does not reduce an employee's wages below the hourly minimum wage;
- b) The employee provides written authorization or the employer sufficiently documents the employee's intention to repay;
- c) The deduction is not prohibited by state or federal law or these rules; and
- d) The deduction shall not exceed the amount the employee agreed to.

2. Deductions authorized by law

An employer may make deductions specifically authorized by state or federal law including deductions for state/federal taxes and child support. The employer may, with written authorization from the employee, make deductions for contributions for health insurance or retirement plans.

Lacking a statutory provision, which would require or permit employers to do so, employers may not deduct or withhold wages for such things as: an employee's refusal or inability to provide or sign documents such as I-9 forms, tax withholding forms, etc.; an employee's refusal to provide a notice of or reason for termination; an employee's refusal to sign a document written by the employer, etc.; an employee's inability or refusal to accept the wages in person (postal delivery is an acceptable means for the employer to comply with the timely payment of wage law); uniforms or the maintenance thereof; poor job performance; alleged shortages, bad checks or credit cards; destruction of or missing property; etc. Allegations of damages and improper payment of wages are separate issues and must be dealt with, if necessary, in separate court actions. Recovery of alleged damages may be possible through civil action, whereas illegal withholding of wages is in violation of Vermont's criminal statutes and criminal prosecution is possible.

Payment of Wages with Debit Cards

At this time there are no laws in the State of Vermont that allows the payment of wages to pay cards or debit cards. Payment of wages must take the form of cash or lawful check.

Benefits or Wage Supplements:

An employer is not required to provide its employees with paid or unpaid holidays (such as Memorial Day or Thanksgiving), paid or unpaid sick leave (except under Parental or Family Leave Act), paid or unpaid vacation time or severance pay when an employee leaves a business. However, employers who are parties to written agreements, which can be in the form of an employee handbook, memorandum, correspondence, etc., providing for vacation time, sick leave, holidays and /or severance pay are liable to their employees for those benefits.

Mandatory Postings

All employers of two or more employees shall prominently post the mandatory postings so that employees may refer to them. You may obtain copies of them on our website at www.labor.vermont.gov or by calling (802) 828-0257.

Please call our office if you have any questions regarding Wage and Hour Laws. We can be reached at (802) 828-0257 or (802) 828-2157

