

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No. H-104)  
109TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 219, L.D. 267, Bill,  
"AN ACT to Adjust Unemployment Benefits for Employees on Layoff  
who are Temporarily Recalled to Work by their Regular Employer."

Amend the Bill by striking out everything after the enacting  
clause and inserting in its place the following:

'Sec. 1. 26 MRSA §1043, sub-§17, ¶B, as amended by PL  
1975, c. 201, §2, is further amended to read:

B. An individual, including corporate officers, shall be deemed  
"partially unemployed" in any week of less than full-time work  
if his wages payable from any source for such week are not  
\$5 \$10 or more in excess of the weekly benefit amount he would  
be entitled to receive if totally unemployed and eligible, except  
that remuneration payable or received as holiday pay shall  
not be deemed wages for the purpose of this subsection and except  
that any amounts received from the Federal Government by members  
of the National Guard and organized reserve, including base  
pay and allowances, or any amounts received as a volunteer  
fireman, shall not be deemed wages for the purpose of this  
subsection.

Sec. 2. 26 MRSA §1191, sub-§3, as last amended by PL 1977, c. 444, is further amended to read:

3. Weekly benefit for partial unemployment. On and after April 1, 1966, each eligible individual who is partially unemployed in any week shall be paid with respect to such week a partial benefit in an amount equal to his weekly benefit amount less that part of his earnings paid or payable to him with respect to such week which is in excess of ~~\$10~~ \$15 plus any fraction of a dollar, except that remuneration payable or received as holiday pay shall not be deemed wages for the purpose of this subsection and except that any amounts received from the Federal Government by members of the National Guard and organized reserve, including base pay and allowances, or any amounts received by volunteer firemen or by elected members of the Legislature, shall not be deemed wages for the purpose of this subsection.

~~On and after January 1, 1978, each eligible individual who, affirmatively terminated from his regular employment for a period in excess of 4 consecutive calendar weeks, is employed less than 40 hours for a period not exceeding 2 consecutive calendar weeks or performs odd jobs shall be paid an amount equal to his weekly benefit amount less:~~

~~A. 50% of his earnings paid or payable to him with respect to such week in excess of \$10 up to \$35, plus any fraction of a dollar, and~~

~~B. 100% of his earnings paid or payable to him with respect to such week in excess of \$35, plus any fraction of a dollar.~~

Statement of Fact

This amendment attempts to increase the incentive for a laid-off worker to seek out part-time employment rather than just receive unemployment benefits.

It is designed to address the following situation:

A worker is laid off. He wants to accept partial employment until he can get a full-time job. While he is unemployed he is eligible for \$90 weekly benefit amount (WBA). He can get partial unemployment benefits if he earns less than \$5 more than his WBA (see section 1 of this amendment). These partial unemployment benefits equal his WBA less earnings in excess of \$10 (see section 2 of this amendment).

This situation leads to two problems that might combine to make temporary work unattractive to a laid off worker:

A. Difficulty in qualifying for partial unemployment benefits. If a laid off worker's WBA is \$90, he cannot qualify for temporary unemployment benefits if he is offered 2 days of work that would bring in \$95. Why,

because under \$1043, he cannot be defined as partially employed if he earns \$5 more than his weekly benefit amount (see section 1 of this amendment).

B. Lack of incentive to accept work and apply for partial unemployment benefits. Even if the laid off worker could be eligible for partial benefits (suppose the \$1043 requirement were raised to \$10), the \$5 gain does not seem a great incentive to accept partial unemployment (see section 2 of this bill):

- (1) \$90 WBA,
- (2) \$95 earnings from partial employment but subtract app. \$10 for taxes, for a net weekly income of \$85.

(3) \$5 partial employment benefits (under \$1191, subtract \$95 earnings, less \$10, from WBA):

\$90 WBA
<u>-85</u> (earnings less \$10)
\$ 5

(4) \$90 total income (net income plus partial unemployment benefits) equals his WBA for not working at all.

This amendment seeks to somewhat resolve this dual problem by increasing the \$1043 qualifying limit from \$5 to \$10 (section 1) and allowing earnings in excess of \$15 (rather than \$10) to be subtracted from earnings in calculating your partial unemployment benefit (section 2):

- (1) \$90 WBA;
- (2) \$95 partial employment income (now eligible for part. benefits since \$1043 limit increased to \$10 over WBA); and

(3) Subtract \$80 from WBA (\$95 less \$15 rather than \$10 required by §1191) for a partial benefit of \$10.

The cost of this amendment to the fund would be \$441,000. This figure does not take into account any savings to the fund from an unemployed person finding work sooner than he might have. \$33,000 of this cost is attributable to Section 1 of this amendment and \$408,000 to section 2.

Finally, the increased incentive of this amendment makes unnecessary the 1977 amendment of §1191.

Reported by the Majority of the Committee on Labor  
Reproduced and distributed under the direction of the  
Clerk of the House  
3/19/79 (Filing No. H-104)