MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1411

H. P. 1187 House of Representatives, March 19, 1981 Referred to the Committee on Labor. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Kany of Waterville.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Amend the Law Concerning Inherited Liability of Certain Business Firms for Severance Pay.

Be it enacted by the People of the State of Maine, as follows:

26 MRSA § 625-B, sub-§ 3-A is enacted to read:

3-A. Liability of certain successor employers. A successor employer, none of whose interests is held by any person who held an interest as the former employer, is not liable for severance pay under this section for the first 3 years as an employer and then only at the rate of one week's pay for each year of employment, with him, of any employee.

STATEMENT OF FACT

This bill provides a limited liability, under the severance pay law, for a successor employer none of whose interests are held by anyone who held an interest in the former employer's firm. The exposure to liability would only begin after 3 years and then only at the rate of one week's pay for each year that an employee worked for the successor.