

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 993

7 H.P. 762

House of Representatives, March 3, 1983

8 Submitted by the Department of Labor pursuant to Joint Rule 24.

9 Referred to the Committee on Labor. Sent up for concurrence and  
ordered printed.

EDWIN H. PERT, Clerk

10 Presented by Representative Hickey of Augusta.

Cosponsors: Representative Paradis of Augusta, Senator Hayes of  
Penobscot and Representative Tammaro of Baileyville.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
16

17 AN ACT to Increase the Compensation  
18 Benefits for Employees Formerly Working  
19 for a Bankrupt Employer.  
20

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

23 26 MRSA §632, sub-§1, as amended by PL 1981, c.  
24 168, §§24 and 26, is further amended to read:

25 1. Fund established. There is established a  
26 Maine Wage Assurance Fund to be used by the Bureau of  
27 Labor Standards within the Department of Labor for  
28 the purpose of assuring that all former employees of  
29 employers within the State receive payment for wages  
30 for ~~one week~~ a maximum of 3 weeks for the work they  
31 have performed. The Legislature intends that payment  
32 of earned wages from the fund be limited to those  
33 cases when the employer has terminated his business

1 and there are no assets of the employer from which  
2 earned wages may be paid, or when the employer has  
3 filed under any provision of the Federal Bankruptcy  
4 Act. No officer or director in the case of a corpora-  
5 tion, no partner in the case of a partnership and no  
6 owner in the case of a sole proprietorship shall may  
7 be considered an employee for purposes of this  
8 section.

9 STATEMENT OF FACT

10 The Maine Wage Assurance Fund provides for the  
11 payment of one week's wage to employees who are owed  
12 wages from an employer without assets and no longer  
13 operating a business. In fiscal year 1981, 195  
14 employees received wages from this fund, but 47 of  
15 these employees had earned 2 or more weeks' wages and  
16 received no payment for services during any of the  
17 additional weeks worked.

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