

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 842

S.P. 303

In Senate, March 14, 1995

**An Act to Preserve the Solvency of the Unemployment Compensation
Fund.**

(EMERGENCY)

Submitted by the Department of Labor pursuant to Joint Rule 24.
Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator BEGLEY of Lincoln.
Cosponsored by Representative: HATCH of Skowhegan.

2 **Emergency preamble. Whereas,** Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4
6 **Whereas,** the Unemployment Compensation Fund is a
countercyclical program by which the reserves of the fund are
built up during periods of low unemployment so that funds will be
8 available for the payment of benefits during periods of high
unemployment; and

10
12 **Whereas,** the reserves in the fund are relatively low and
there exists a long-term solvency issue with the fund; and

14 **Whereas,** the years ahead are a period during which fund
reserves should be accumulated; and

16
18 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
20 necessary for the preservation of the public peace, health and
safety; now, therefore,

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

24 **Sec. 1. 26 MRSA §1043, sub-§3-A,** as amended by PL 1993, c. 22,
26 §1, is further amended to read:

28 **3-A. Alternate base period.** For benefit years effective on
or after September 27, 1992 ~~and prior to March 26, 1995,~~ for any
30 individual who fails to meet the eligibility requirements of
section 1192, subsection 5, in the base period as defined in
32 subsection 3, the Department of Labor shall make a
redetermination of eligibility based on a base period that
34 consists of the last 4 completed calendar quarters immediately
preceding the first day of the individual's benefit year. This
36 base period is known as the "alternate base period." If wage
information for the most recent quarter of the alternate base
38 period is not available to the department from regular quarterly
reports of wage information that is systematically accessible,
40 the department shall gather the necessary data in accordance with
rules established for this purpose.

42
44 If the department receives information from the employer that
causes a revised monetary determination under this subsection,
46 benefits received prior to that revision may not constitute an
overpayment of benefits provided the claimant did not knowingly
misrepresent information requested by the department.

48
50 Wages that fall within the base period of claims established
under this subsection are not available for reuse in qualifying
for any subsequent benefit years under section 1192.

2 In the case of a combined-wage claim pursuant to the arrangement
4 approved by the United States Secretary of Labor in accordance
6 with section 1082, subsection 12, the base period is that base
period applicable under the unemployment compensation law of the
paying state.

8 **Sec. 2. 26 MRSA §1191, sub-§2**, as amended by PL 1993, c. 528,
§1, is further amended to read:

10

12 **2. Weekly benefit amount for total unemployment.** Each
eligible individual establishing a benefit year on and or after
14 October 1, 1983, who is totally unemployed in any week must be
paid with respect to that week, benefits equal to 1/22 of the
16 wages, rounded to the nearest lower full dollar amount, paid to
that individual in the high quarter of the base period, but not
18 less than \$12. The maximum weekly benefit amount for claimants
requesting insured status determination beginning October 1,
20 1983, and thereafter from June 1st of a calendar year to May 31st
of the next calendar year may not exceed 52% of the annual
22 average weekly wage, rounded to the nearest lower full dollar
amount, paid in the calendar year preceding June 1st of that
24 calendar year. No increase in the maximum weekly benefit amount
may occur for the period from June 1, 1992 to October 28, 1995.
26 For the period from October 29, 1995 to May 31, 1997, the maximum
weekly benefit amount is limited to 94% of the amount calculated
previously in this subsection, rounded to the nearest lower full
dollar amount. For claimants requesting insured status
28 determination on or after April 1, 1993 and before January 1,
1995, the weekly benefit amount must be the amount determined by
30 this subsection minus \$6. For claimants requesting insured
status determination on or after April 1, 1995 and before January
32 1, 1998, the weekly benefit amount must be the amount determined
by this subsection minus \$3.

36 **Sec. 3. 26 MRSA §1196, sub-§3**, as amended by PL 1993, c. 22,
§4, is repealed.

38

40 **Sec. 4. 26 MRSA §1196, sub-§4**, as amended by PL 1993, c. 22,
§5, is repealed.

42 **Sec. 5. 26 MRSA §1221, sub-§2, ¶C**, as enacted by PL 1993, c.
22, §6 and affected by §8, is amended to read:

44

46 C. Each employer subject to this chapter, other than those
liable for payments in lieu of contributions, shall pay, in
48 addition to the contribution rate as prescribed in
subsection 4, 7/10 of 1% of the wages paid by the employer
with respect to employment during the calendar year 1993
50 and, 8/10 of 1% of the wages paid by the employer with
respect to employment during the calendar year 1994 and 4/10

