

MAINE STATE LEGISLATURE

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LABOR AND HOUSING

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 364, L.D. 507, Bill, "An Act To Amend the Laws Governing Employer Recovery of Overcompensation Paid to an Employee"

Amend the bill in section 1 in §635 in subsection 1 by inserting after paragraph A the following:

'A-1. "Employer" means a person in this State that employs individuals and includes the State and political subdivisions of the State. "Employer" includes a person acting in the interest of an employer directly or indirectly.'

Amend the bill in section 1 in §635 in subsection 1 by striking out all of paragraph B (page 1, lines 9 to 14 in L.D.) and inserting the following:

'B. "Overcompensation" means any compensation paid to an employee that is greater than that to which the employee is entitled under the compensation system established by the employer, but does not include fringe benefits, paid leave, awards, bonuses, settlements or insurance proceeds in respect to or in lieu of compensation, expense reimbursements, commissions or draws or advances against compensation.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment amends the definition of "overcompensation" to exclude compensation in the form of paid leave. It also provides a definition of "employer."

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



Approved: 02/20/20 *MAC*

129th MAINE LEGISLATURE

LD 507

LR 1418(02)

An Act To Amend the Laws Governing Employer Recovery of Overcompensation Paid to an Employee

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Labor and Housing

Fiscal Note Required: Yes

A(H-732)

Fiscal Note

Limit to payroll recovery of overcompensation - All funds

Fiscal Detail and Notes

Reducing the maximum amount an employer can withhold from an employee's pay in order to recover overcompensation, including overcompensation of paid leave, from 10% to 5% will delay the State's ability to fully recoup payments to an employee made in error. Prohibiting an employer from recovering overcompensation paid to an employee in error to three years preceding the date of discovery of the overcompensation may limit or eliminate the State's ability to recover the amount of the error.