

MAINE STATE LEGISLATURE

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November 24, 1947

To L. C. Fortier, Chairman, M. U. C. C.
Re: Interstate Benefit Payment Plan

I have reviewed the material prepared by the Interstate Conference of Employment Security Agencies relative to an interstate benefit payment plan entitled, "Interstate Arrangement for Determination and Payment of Interstate Claims". The authority for participation in such a plan by the Maine Unemployment Compensation Commission is contained in subsection (1) of section 11 of the Maine Unemployment Compensation Law. The pertinent part of that section of the law reads as follows:

"(1) Reciprocal benefit arrangements. The commission is hereby authorized to enter into arrangements with the appropriate agencies of other states or the federal government whereby potential rights of individuals to benefits accumulated under the unemployment compensation laws of several states or under such law of the federal government, or both, may constitute the basis for the payment of benefits to such individuals through a single appropriate agency under terms which the commission finds will be fair and reasonable as to all affected interests and will not result in any substantial loss to the fund, and the commission is authorized to reimburse such state or federal agency for such benefits as may be paid by that agency upon the basis of wages received in employment subject to this chapter or to receive from such state or federal agency such amounts as may be paid from the fund upon the basis of wages received in employment subject to the laws of such state or of the federal government. Any reimbursement made in accordance with this section shall be charged against the accounts of the employers whose accounts would have been charged if such benefits had been paid directly by the commission."

It is my opinion that the "arrangement", which is in the nature of a covenant or a contract by means of which, if executed, the Maine Unemployment Compensation Commission would become a party to a reciprocal agreement with other participating states, is in conformity with the statutory authorization quoted above.

It is also my opinion that the formalized procedures prepared by the Interstate Conference of Employment Security Agencies entitled, "Interstate Arrangement for Determination and Payment of Interstate Claims" constitutes fair and reasonable terms and conditions under which the Maine Unemployment Compensation Commission would have authority to act within the purview of the statutory authorization quoted above.

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