

MAINE STATE LEGISLATURE

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May 5, 1969

James C. Schombhaier, Chairman

Frank A. Farrington, Assistant Attorney General

Opinion regarding Consolidated Wage Combining Plan

ILLUSTRATION:

Maine Employment Security Commission has authority to enter into Consolidated Wage Combining Plan if it finds it fair and reasonable to all affected interests, and will not result in any substantial loss to unemployment compensation fund.

FACTS:

Your memorandum of April 25, 1969, reads as follows:

"With reference to WIP letter #1006 please advise whether or not we have authority under our law to participate in the proposed Consolidated Wage Combining Plan."

WIP letter #1006 discusses a new system of wage combining, for purposes of payment of unemployment benefits, approved by the Interstate Conference of Employment Security Agencies, and to be known as the Consolidated Wage Combining Plan. An explanation of the plan, together with the text of it, is to be found in Appendix J of the Appendices contained in the printed MINUTES OF NATIONAL EXECUTIVE COMMITTEE MEETING, held in Seattle, Washington, September 26-28, 1968. Basically, the plan provides for payment of unemployment benefits to a claimant in one state based on earnings in several states, if combining his wages will result in increased benefits in the paying state.

Other than the details of the proposed plan, it is the same sort of wage combining plans as those in which the Commission is presently participating, under which plans only wage credits in subject employment in the states involved which are earned in overlapping base periods of such states are combined.

The consolidated plan, as we read it, would substitute the base period of the paying state, and transferring states would report wages earned in subject employment during the base period of the paying state, whether or not it coincides with that of the transferring state. It has reimbursement provisions similar to those plans already operating, in which the Commission is participating.

QUESTION:

Does the Maine Employment Security Commission have authority under the Maine Employment Security Law to enter into such an agreement?

ANSWER:

Yes, as qualified in the opinion which follows.

May 3, 1969

OPINION:

Section 1082, subsection 1E of the Maine Employment Security Law (Title 26, Chapter 13, M.R.S.A. 1964, as amended) provides in part:

"12. Reciprocal benefit arrangements. The commission is 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 or employment security laws of the 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...."
(Underlining ours.)

The quoted section, with particular reference to the underlined words, gives the Commission the authority to enter into the proposed Consolidated Wage Combining Plan. While the wording does not specifically authorize a transfer of wage credits in so many words, its terms are sufficiently broad to permit it. However, it is to be noted that the authority is limited to an arrangement which the Commission is satisfied "...will be fair and reasonable as to all affected interests and will not result in any substantial loss to the fund...."

FAY:z

cc - Mr. Coto
Mr. George