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Employment Security Public agencies group accounts
26 M.R.S.A. § 1221 (15)

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January 11, 1978

Honorable William J. Garsoe
House of Representatives
State House
Augusta, Maine 04333

Dear Representative Garsoe:

In your letter of December 12, 1977, you requested an interpretation of Title 26 M.R.S.A. § 1221(15) relating to the establishment of group accounts for governmental entities under the Employment Security Law.

Under the Employment Security Program, employees of state and local governmenta have not been eligible for unemployment compensation benefits. However, in the 1977 Legislative Session, P.L. 1977, c. 570, An Act to Amend the Employment Security Law to Include Federal Requirements and other Options Available to the State, was enacted, thereby extending the coverage for unemployment compensation to all state and local government employees as of January 1, 1978. Included in this act is an amendment to 26 M.R.S.A. § 1221 (15) which now provides, in part:

Two or more nonprofit organizations or 2 or more governmental entities that have become liable for payments in lieu of contributions. . . may file a joint application to the commission for the establishment of a group account for the purpose of charging the cost of benefits paid that are attributable to service in the employ of such employees or governmental entities.

This provision provides, therefore, that only governmental entities may file an application for the establishment of a group account. The question posed in your inquiry is whether a governmental entity may join more than one group account to cover the

the various aspects of its employment, such as one group account for school employees and one group account for other employees.

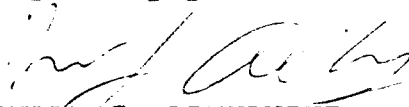
We answer in the negative.

The statutory language provides that 2 or more governmental entities may file a group account. Nothing in this language indicates that more than one group account was intended to be provided for each governmental entity. The language of Section 1221 (15) provides that the purpose of a group account is to share the cost of benefits that are attributable to service in the employ of the governmental entity. Nothing in this statutory language makes reference to the nature or character of the service performed. All references are to the employer itself. There is nothing in the statute that provides for the establishment of a group account based on the nature of the service performed.

Therefore, if a governmental entity is determined to be an employing unit under the Employment Security Act, its account must cover all those employed by it, regardless of the services which they perform.

L.D. 2000, An Act to Authorize Local School Committees to Elect the Method of Funding Unemployment Compensation, proposes amending 26 M.R.S.A. § 1043 (28) so as to include within the definition of a governmental entity, for purposes of the Employment Security Law, municipal school committees, school administrative district directors and community school district committees. If such an amendment is adopted, local school departments would then be able to join a group account as they would constitute a governmental entity within the meaning of 26 M.R.S.A. § 1221 (15).

Very truly yours,


DONALD G. ALEXANDER
Deputy Attorney General

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