

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 424

S. P. 155

In Senate, January 28, 1971

Referred to Committee on Labor. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Violette of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT Providing Notice or Severance Pay by Employers.

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

R. S., T. 26, § 625, amended. Section 625 of Title 26 of the Revised Statutes is amended by adding at the end the following:

Whenever a person, firm or corporation employing 100 or more employees, is going out of business, he shall give one month's prior notice to his employees and failing to give such notice shall pay severance pay of one week for each full year worked by the employee, but such severance pay shall not be more than one month's pay unless by contract the employer shall have agreed to pay a larger amount. No severance pay shall be required to be paid to any employee who has worked for less than one year for the employer and no such severance pay shall be paid if the employee is discharged for a reasonable cause.

If a person, firm or corporation sells his business and there is no cessation of employment in the establishment, no such severance pay shall be required.

STATEMENT OF FACT

Employers of large numbers of employees have closed their businesses without notification to their employees of the impending closedown.

Such lack of notice enhances a period of economic recession which invariably results in a community where large numbers of people simultaneously lose their jobs.

This bill would alleviate the adverse economic impact upon the employees and the community in which they live.