

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 542

EDWIN H. PERT, Clerk

H. P. 435 Referred to Committee on Labor. Sent up for concurrence and ordered printed.

Presented by Mr. Davies of Orono.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED SEVENTY-SEVEN

AN ACT to Redefine "Wages" to Include Fringe Benefits.

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

26 MRSA § 629-A is enacted to read:

§ 629-A. Fringe benefits as wages

The term "wages" shall include, for the purposes of section 621 to 629-A and for the purposes of priority of wages in cases of insolvency, all fringe benefits either payable to or on behalf of a laborer, including health plans, health and accident plans, retirement plans, disability and disability income plans, vacation plans and funds, insurance of all kinds and other fringe benefits.

STATEMENT OF FACT

The purpose of this bill is to clarify fringe benefits as a form of compensation and wages and to further clarify that an employer's obligation to pay them is a priority in cases of insolvency and bankruptcy in the same fashion as any wages paid directly to employees.