

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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Legislative Document

No. 922

S. P. 206

In Senate, March 16, 1977

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

MAY M. ROSS, Secretary

Presented by Senator Collins of Aroostook.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT** Relating to Employee Contributions to Unemployment Trust Fund.

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

Sec. 1. 26 MRSA § 1196 is enacted to read:

§ 1196. Contributions by employees

1. Net balances greater than \$20,000,000. On and after January 1, 1977, and for each calendar year thereafter, when the net balance available for payments, as defined in section 1221, is greater than \$20,000,000 for the fiscal year beginning on the first day of July next preceding, no contribution shall be made by any employee.

2. Net balance less than \$10,000,000. On and after January 1, 1977, and for each calendar year thereafter when the net balance available for payments, as defined in section 1221, is less than \$10,000,000 for the fiscal year beginning on the first day of July next preceding, each employee employed by an employer subject to this chapter shall contribute to the fund 1% of the wages for employment paid to him after the date as of which the conditions determining that his employer is subject to this chapter have been fulfilled except:

A. No employee shall be required to pay contributions on that part of his wages which are not included in the definition of wages as defined in section 1043, subsection 19. If by reason of an employee rendering service for more than one employer during any calendar year, the wages of the employee with respect to employment during such year exceed the amount set out in section 1043, subsection 19, the employee shall be entitled to a refund of any amount of contributions with respect to such wages imposed by this

chapter, deducted from such wages and paid to the fund, which exceeds the contribution with respect to the amount of wages set out in this paragraph; or

B. No employee shall be required to pay contributions on any wages paid to him for employment as defined in this chapter if such wages would become the basis for payment of benefits for which his employer would be required or has elected to reimburse the fund by means of payments in lieu of contributions pursuant to this chapter.

3. Responsibility. When, under this section, contributions by employees of employers subject to this chapter are required, each employer shall, notwithstanding any provisions of law in this State to the contrary, be responsible for withholding and shall withhold, in trust, such contributions from the wages of his employees at the time such wages are paid, and shall show such deductions on his payrolls and records and shall transmit all contributions to the fund pursuant to regulations prescribed by the commissioner.

Contributions by employees payable to the fund as herein provided shall be exempt from garnishment, attachment, execution or any other remedy for the collection of debts.

Sec. 2. 26 MRSA § 1221, sub-§ 1, ¶ A, last sentence is amended to read:

Such contributions shall become due and be paid by each employer to the commission for the fund in accordance with such regulations as the commission may prescribe, and shall not be deducted, in whole or in part, from the wages of individuals in his employ, except as provided in section 1196.

Sec. 3. 26 MRSA § 1221, sub-§ 4, ¶ B, last sentence, as repealed and replaced by PL 1973, c. 563, § 2, is amended to read:

The following table will apply for each 12-month period commencing July 1st of each year as determined by paragraph C, provided, that at any time the reserve multiple as computed falls under .45%, the commissioner shall increase such rates by .5% and shall continue such rates until another reserve multiple has been established in accordance with this chapter.

## STATEMENT OF FACT

The purpose of this bill is to require an employee contribution of .1% of covered wages subject to limitations specified in the bill.