

MAINE STATE LEGISLATURE

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D. OF. R.

STATE OF MAINE
SENATE
109TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. S-115)

COMMITTEE AMENDMENT " A" to S.P. 92, L.D. 178, Bill,
"AN ACT Concerning Unemployment Compensation Benefits For
Employees Formerly Working for a Bankrupt Employer."

Amend the Bill by inserting after the underlined words
"payment for wages" in the 8th line (7th line in L.D.)
the words 'for one week'

Further amend the Bill by striking out all of the first 2
paragraphs of subsection
/3 of that part designated "§632." of section 1 and inserting
their
in / place the following:

'3. Amount in fund. The Maine Wage Assurance Fund shall
be a nonlapsing, revolving fund limited to a maximum of
\$100,000. All moneys collected from an employer pursuant to
a claim for unpaid wages by an employee who has received
payment from the fund, or by the State as his subrogee, shall
be credited to the fund.

The fund shall be established and augmented periodically as
necessary.'

Further amend the Bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 26 MRSA §1164, 5th and 6th sentences, as amended by PL 1977, c. 675, §17, are ^{further} amended to read:

The moneys in this fund shall be used by the commissioner either for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds received for or in the Employment Security Administration Fund on or after January 1, 1943, or to finance the Maine Wage Assurance Fund established in section 632. Such moneys shall be available either to satisfy the obligations incurred by the Employment Security Commission directly or by requesting the Treasurer of State to transfer the required amount from the Special Administrative Expense Fund to the Employment Security Administration Fund or the Maine Wage Assurance Fund.'

Statement of Fact

The purposes of this amendment are to:

1. Restrict the back wages that can be recovered to one week's wages; and
2. Provide the funds for this reimbursement from the Special Administration Expense Fund of the unemployment insurance system.

This fund collects fines and penalties for violations of the unemployment insurance law. No withdrawals from this fund have been made for at least 10 years. All accruals have been transferred to the Unemployment Insurance Trust Fund for unemployment compensation payments. Last year \$167,179 accrued. This funding provision will make unnecessary the bill's tax on the employer.

Reported by the Committee on Labor.

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April 20, 1979

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